# Daily Report

# Latin America

FBIS-LAT-88-226
Wednesday
23 November 1988

# Daily Report
## Latin America

*FBIS-LAT-88-226* *23 November 1988*

CONTENTS

**NOTICE TO READERS:** An * indicates material not previously disseminated in electronic form.


**CARIBBEAN**

**Cuba**

RSA's Acceptance of Geneva Accords Noted *[Havana TV]* ..... 1
Malmierca Meets With FRG Party Official *[Havana TV]* ..... 1
Nicaraguan Official Arrives for Conference *[Havana TV]* ..... 1
Pinar del Rio Expecting Crop Losses *[Havana Radio]* ..... 1
Recovery Efforts Underway *[Havana Radio]* ..... 1
Good Harvest Encouraged *[Havana Radio]* ..... 2
Education Minister Attends Sports Meeting *[Havana TV]* ..... 2
CTC Studies New Organizational Systems *[Havana Radio]* ..... 2
Terminal No 2 of Marti Airport Now Functional *[Havana TV]* ..... 2

**Bahamas**

Diplomatic Relations Established With Taiwan *[Nassau Radio]* ..... 3

**Barbados**

Diplomatic Relations Established With Thailand *[CANA]* ..... 3
Foreign Minister at Work After Heart Attack *[CANA]* ..... 3

**Dominican Republic**

Electoral Board Names Pena Gomez PRD President *[Santo Domingo Radio]* ..... 3
Former President, Cohorts Trial Continues *[Santo Domingo Radio]* ..... 3
Nine Electricity Plants Nonoperational *[Santo Domingo Radio]* ..... 4
Cocaine Confiscated in San Francisco de Macoris *[Santo Domingo Radio]* ..... 4

**Haiti**

CATH Calls for General Strike on 21 Nov *[Port-au-Prince Radio]* ..... 4
Further on Strike *[Port-au-Prince Radio]* ..... 6
Strike Termed 'Success' *[Port-au-Prince Radio]* ..... 7
Adesa Committee on Strike *[Port-au-Prince Radio]* ..... 7
City Hall Workers Protest, Demand Salaries *[Port-au-Prince Radio]* ..... 7
ANDA Asks Agriculture Minister To Resign *[Port-au-Prince Radio]* ..... 8
More on Dispute *[Port-au-Prince Radio]* ..... 8
Political Party Issues Statement on Shootings *[Port-au-Prince Radio]* ..... 8

**MEXICO**

President-elect Bush, Salinas Meet in Houston *[Mexico City TV]* ..... 10
Further Reportage *[NOTIMEX]* ..... 10
Communique Issued *[NOTIMEX]* ..... 11
Salinas Supports Dialogue With Opposition *[Mexico City TV]* ..... 11
Cardenas on Importance of Local Elections *[UNOMASUNO 18 Nov]* ..... 11
Spanish Daily Interviews Cuauhtemoc Cardenas *[Madrid CAMBIO 16 7 Nov]* ..... 13
Energy Secretary Hiriarte Criticizes OPEC *[Madrid EFE]* ..... 14
PRI Claims 'Overwhelming' Victory in Chiapas *[Mexico City TV]* ..... 14
Cardenist Deputies End Hunger Strike *[AFP]* ..... 14

## CENTRAL AMERICA

### Costa Rica

Arias: Ortega 'Must Comply' With Esquipulas *[ACAN]* ..... 15

### El Salvador

Acevedo Peralta on Foreign Ministers' Meeting *[San Salvador TV]* ..... 15
Bishops To Examine Regional Peace Process *[ACAN]* ..... 15

### Honduras

FAO Official Kidnapped; Motive Unknown *[Hamburg DPA]* ..... 16
Government Reiterates Policy on Middle East *[EL HERALDO 22 Nov]* ..... 16
Japanese Delegation Grants $50 Million Loan *[LA TRIBUNA 22 Nov]* ..... 16

### Nicaragua

Tinoco Comments on OAS Meeting, Summit *[Managua Radio]* ..... 16
Ruiz Leads Government Delegation to Moscow *[Managua Radio]* ..... 17
Government Raises Price of Passports, Visas *[ACAN]* ..... 17
New Devaluation of Cordoba on Parallel Market *[ACAN]* ..... 18
Finance Minister Comments on Draft 1989 Budget *[EL NUEVO DIARIO 21 Nov]* ..... 18

### Panama

OAS Ambassador Boyd on Crisis, U.S. Sanctions *[San Salvador Radio]* ..... 18
Discusses U.S. Relations *[LA ESTRELLA DE PANAMA 21 Nov]* ..... 19
Ritter: Government Invited Rights Commission *[Panama City TV]* ..... 19
Ritter Speaks at FDP Officers Seminar *[CRITICA 22 Nov]* ..... 20
FDP Officers Cited on Noriega, U.S. Policy *[ACAN]* ..... 20
Solis Palma on Ambassador to El Salvador *[LA ESTRELLA DE PANAMA 22 Nov]* ..... 22
U.S. Ambassador's 'Farewell Speech' on 14 Dec *[CRITICA 22 Nov]* ..... 22
Molirena Leader Discusses Election Conditions *[Panama City TV]* ..... 22
CONATO States Position on Ending Crisis *[Panama City TV]* ..... 23
'Private Enterprises' Resolution for Freedom *[Panama City TV]* ..... 23
PLA Leader Discusses Elections, Current Regime *[LA ESTRELLA DE PANAMA 18 Nov]* ..... 24
Exiled Labor Leader Backs 'Nonpeaceful' Struggle *[Madrid EFE]* ..... 24
PDC Congress Meets, Reelects Arias Calderon *[LA ESTRELLA DE PANAMA 21 Nov]* ..... 25
Columnist Views Possible Noriega Candidacy *[CRITICA 22 Nov]* ..... 25
U.S. 'Aggression' Damages Health System *[Panama City TV]* ..... 26
Legislator on U.S. Government Tax Retention *[LA ESTRELLA DE PANAMA 19 Nov]* ..... 26
Finance Minister on 'Economic Destruction' *[LA ESTRELLA DE PANAMA 20 Nov]* ..... 27
Minister Says Much of Economy 'Back to Normal' *[Panama City TV]* ..... 27
Banking Commission Eases Savings Restrictions *[Panama City TV]* ..... 28
Comptroller General on Revenue Collection *[Panama City TV]* ..... 28
Civic Crusaders, Journalists Summoned *[MEDIODIA 21 Nov]* ..... 29
Reporters Tour Jail, View Conditions *[Panama City TV]* ..... 29
Hurricane Damage, Housing Needs Assessed *[MATUTINO 17 Nov]* ..... 29
National Union of Journalists Formed *[MATUTINO 22 Nov]* ..... 30
New Paper Published in Bocas del Toro *[Panama City Radio]* ..... 30

## SOUTH AMERICA

### Bolivia

Minister Finds Paris Club Results Positive *[La Paz Radio]* ..... 31

**Brazil**

Sarney Postpones Official Visit to Peru *[Lima Radio]* ..... 31
Government Denies Being Pressured on Falklands *[TELAM]* ..... 31
Foreign Trade Department Announces Oct Surplus *[Rio de Janeiro TV]* ..... 31

**Chile**

DINACOS Reports Pinochet's New Intendants *[Santiago Radio]* ..... 31
Foreign Minister Discusses Country's Image *[LA TERCERA DE LA HORA 13 Nov]* ..... 31
Former Senator Montes Held Incommunicado *[EL MERCURIO 15 Nov]* ..... 32

**Colombia**

Defense Minister Escapes Dynamite Attack *[Bogota Radio]* ..... 33
Security Measures Implemented *[Bogota Radio]* ..... 33
Government Minister Assesses Tolima Peace Plan *[Bogota TV]* ..... 33
Bomb Kills Police, Army Personnel in Arauca *[Bogota TV]* ..... 33
Radio Patria Libre Protests Government 'Jamming' ..... 34

**Paraguay**

Acevedo Comments on OAS Meetings, Human Rights *[ULTIMA HORA 22 Nov]* ..... 34

**Peru**

Villanueva Discusses 'Severe' Economic Measures *[Lima TV]* ..... 34
Economy Minister Announces New Measures *[Lima TV]* ..... 34
Terrorists Attack Arequipa Towns, Lima *[Lima TV]* ..... 38
Prefecture Building Hit *[Lima Radio]* ..... 38
DIRCOTE Pursues Terrorists *[Lima Radio]* ..... 38
Army Forces Kill 10 Terrorists, Seize Weapons *[Lima Radio]* ..... 38
Japan Donates 846 Million Yen for Agriculture *[Lima Radio]* ..... 38

**Uruguay**

Minister Denies Pressure Over Falklands *[DYN]* ..... 38
Government Announces Anti-Inflationary Measures *[Madrid EFE]* ..... 39

**Venezuela**

Central Bank on Loans, International Reserves *[EL UNIVERSAL 15 Nov]* ..... 39
National Guard Seizes Cocaine in Puerto Ordaz *[Caracas TV]* ..... 39

**Suriname**

Netherlands Delegation on Army's Role, Aid *[Rotterdam NRC HANDELSBLAD 15 Nov]* ..... 39
Further Reportage *[Rotterdam NRC HANDELSBLAD 14 Nov]* ..... 40
Recovery Plan Delay Noted *[Rotterdam NRC HANDELSBLAD 14 Nov]* ..... 40
'35 Million Guilders of Aid Supplies' Ordered *[Rotterdam NRC HANDELSBLAD 15 Nov]* ..... 41
'Important Reshuffling' of Army Scheduled *[Paramaribo International]* ..... 42

## Cuba

### RSA's Acceptance of Geneva Accords Noted

*FL2311020088 Havana Television Service in Spanish 0100 GMT 23 Nov 88*

[Text] The Government of Pretoria accepted today the agreements made at the ninth quadripartite meeting on southwest Africa held in Geneva, Switzerland on 15 November.

The announcement was made by Roelof Pik Botha, South Africa's minister of foreign affairs. The decision was adopted in a government meeting which was presided over by the head of state, Pieter Botha. Previously, Cuba and Angola had already agreed to the document which was pending approval by the three countries.

All that remains now is a meeting in Brazzaville, the Congo to give the final touches to a peace treaty for the region which will include the independence of Namibia and will guarantee the security of Angola.

### Malmierca Meets With FRG Party Official

*FL2311034888 Havana Television Service in Spanish 0100 GMT 23 Nov 88*

[Text] Oskar LaFontaine, first minister of Saar Province and deputy chairman of the Social Democratic Party of the Federal Republic of Germany, has met with Isidoro Malmierca, member of the PCC Central Committee and foreign minister of Cuba.

LaFontaine is attending the FRG-Cuba Seminar on Cultural Politics which is being held at the Palace of Conventions in Havana. The seminar is being sponsored by the (Fidris Evert) Foundation of the FRG.

LaFontaine's delegation was also present at the meeting, as well as Roland Zimmermann, FRG ambassador to Cuba, and other officials.

### Nicaraguan Official Arrives for Conference

*FL2311031988 Havana Television Service in Spanish 0100 GMT 23 Nov 88*

[Text] Joaquin Solis Piura, Nicaraguan first vice minister of public education, arrived this afternoon in our country. The official is heading his country's delegation which will attend the First Ibero-American Conference on Education to be held from 24 to 26 November at the Palace of Conventions. He was received at the airport by Jose Ramon Fernandez, alternate member of the PCC Central Committee Politburo and minister of education.

Representatives from UNESCO, the Ibero-American Cooperation Insitute, and the Organization of Ibero-American States for Education, Science and Culture will be present at this first conference in addition to ministers, high-ranking officials from the educational field and experts in the area.

During the meeting, the efforts in overcoming the economic crisis will be evaluated, as well as the experiences in work-study relationships.

### Pinar del Rio Expecting Crop Losses

*FL2111190488 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Nov 88*

[Text] Pinar del Rio Province is busy undertaking the measures required for civil defense as a result of the hurricane's passing through here.

In the last 24 hours, as of 0800 today, 77 mm of rain have been reported in this province. The most rainfall has been reported in San Cristobal municipality, which received 163 mm. [figure as heard]. The dams in the province have accumulated 536.6 million cubic meters of water, which is 83 percent of its total capacity.

The final assessment of the damage done by Hurricane Keith has not yet been completed, but it is estimated that tobacco and other crops, mainly in the seedbeds and the newly planted fields were damaged.

More than 2,000 people have been evacuated and 1,800 students are safe. Also 13,502 heads of cattle have been taken to safety.

### Recovery Efforts Underway

*FL2211195388 Havana Radio Rebelde Network in Spanish 1800 GMT 22 Nov 88*

[Text] Fidel Ramos, member of the PCC Central Committee and first secretary of the PCC in Pinar del Rio Province, said that a high level of spirited work characterizes the people of Pinar del Rio as they confront the effects of Hurricane Keith, and because of this we are in a position to minimize the losses in all sectors. Ramos said this after touring tobacco areas in the municipalities of San Luis and San Juan in the Vueltabajera territory.

Ramos also said that there is reason to feel optimistic about the future of the tobacco and sugar harvests, as well as other production tasks. The tobacco growers of Pinar del Rio plan to produce an average of 5,000 plants per plot. In other harvests that figure did not exceed 3,000.

Although a complete assessment of the damages has not been completed, damages are reported mainly in the seed beds, tobacco fields, and coffee fields. Just the same, the sugar mills in the northern part of the province, the ones that had already begun the harvest, are presently at a standstill because of the rain which did not permit the cane to be transported.

As of today, there will be mass mobilization toward the coffee plantations to deal with the fast maturing beans as part of the activities that the people of Pinar del Rio are undertaking to recover from the hurricane's effects.

### Good Harvest Encouraged

*FL2211191588 Havana Radio Rebelde Network in Spanish 1800 GMT 22 Nov 88*

[Station commentary]

[Text] Hurricane Keith almost hit us, but fortunately it passed us relatively far from our western coast. In addition to other problems, the harvest in Pinar del Rio Province came to a standstill because of the rains.

We want to comment on this point because we are in the harvest season. It is not just any harvest, but one that promises to be, in every way, worthy of the 30th anniversary of the revolution's triumph. We know that it is the nation's intent to exceed last year's sugar production, which was not bad, by an additional 1 million tons. We also know that Pinar del Rio's specific sugar production does not decide whether a harvest is good or bad; but, we also know that not 1 gram of sugar can be disregarded.

What do we want to say? If at the begining of the harvest special attention had to be paid to organization so that the harvest could be successfully carried out, then now we should fine tune every task even more. We are not saying that the country is in danger of not producing the additional 1 million tons of sugar that we need. What we are saying is that no delay, no matter how insignificant it may seem, should be underestimated, and we should compensate for the interruption so that we can fulfill the schedule previously established.

For now, there is optimism, an optimism that is based on fact! The sugar harvest started off well with good yields in the sugar refineries. There is not one official or worker who doubts that we will fulfill the quota that we have set for ourselves. The conditions exist for a good harvest. Now, everything depends on our using them properly.

### Education Minister Attends Sports Meeting

*FL1911174088 Havana Tele-Rebelde Network in Spanish 1400 GMT 19 Nov 88*

[Text] Jose Ramon Fernandez, Cuban minister of education, has visited various places of interest in San Juan and has met with several Puerto Ricans.

Fernandez, who headed the Cuban delegation to the PASO [Pan-American Sports Organization] General Assembly, was invited to tour the University of Puerto Rico in Rio Piedras. There, he was received by Dr Juan Fernandez, rector of the university. During the friendly meeting, the Cuban minister of education and the Puerto Rican rector exchanged experiences related to education plans, programs, organizational structures, specializations and carriers studied in both countries.

### CTC Studies New Organizational Systems

*FL1911040488 Havana Radio Rebelde Network in Spanish 0004 GMT 19 Nov 88*

[Report by Oswaldo Pratt, chief of correspondence, from Pinar del Rio during "Exclusivo" program hosted by Daniel Torres—live]

[Text] [Pratt] Greetings Daniel, good evening Cuba. The experiences accumulated by several enterprises in Pinar del Rio Province in applying new methods of organization and salaries were studied here today in a meeting presided over by Roberto Veiga, member of the PCC Politburo and secretary general of the Central Organization of Cuban Trade Unions [CTC]. Some 200 of the nation's enterprises, among them 15 from this province, related their experiences in this area. The basic goal is to determine the qualifications for promotions, develop and enforce rules that are in keeping with the true nature of each duty, and attain a more efficient pay system so that this will truly represent the results of every collective and lead to a higher level of production.

Among the enterprises from Pinar del Rio Province who are reporting their results at the meeting are the cultivators from Los Palacios, San Cristobal's 30 de Noviembre agricultural-sugar association, Havana Province's spare parts production plant, Construction Enterprise No 1 for engineering projects, and retail commerce industries of Pinar del Rio, as well as others.

Roberto Veiga spoke with representatives from these unions and was interested in the worker's understanding of the application of these new systems. It was explained to Veiga that the response has been very favorable.

The supreme leader of the labor movement in our country said that to adopt these new methods, it is necessary to fully inform the grass roots organizations so the workers know that this new system to organize work and salaries is for the success of the current rectification process in our nation.

### Terminal No 2 of Marti Airport Now Functional

*FL1611040888 Havana Television Service in Spanish 0100 GMT 16 Nov 88*

[Text] Terminal No 2 of the Jose Marti Airport is now operational and during peak hours can handle 600 people with more efficiency and comfort.

With the new terminal being put into service, Cubana de Aviacion will discontinue use of the Rio Cristal installations, as well as those of Terminal No 1. This will permit workers to begin the immediate remodeling and expansion of the Jose Marti Airport.

The new installation has two fundamental areas, one for arriving flights, and one for passengers going abroad. The terminal was built in less than 1 year with the same system that was used in Expo-Cuba.

The terminal's equipment is of high technological quality, which allows people to handle arrivals and departures with agility and efficiency. Terminal No 2 has spacious waiting rooms, restaurant bars, stores, monetary exchange services, information services, an infirmary, cafeterias, and other services.

In its first day of work, Terminal No 2 has handled some 20 international flights without disrupting its itinerary.

## Bahamas

### Diplomatic Relations Established With Taiwan

*FL2211214088 Nassau Domestic Service in English 1800 GMT 22 Nov 88*

[Text] Diplomatic relations have been established between the Bahamas and the Republic of China. We have more on the story from (Karen Banes).

[Begin (Banes) recording] The announcement was made in a joint communique issued by minister of foreign affairs, deputy prime minister, the Honorable Clement Maynard, and minister of foreign affairs in the Republic of China, Dr Lien Chan. The communique was issued following Mr Maynard and the Bahamian delegation's 4-day visit to the Republic of China at the invitation of the (Chong Hu) Institute for Economic Research of the Republic of China.

During the visit, Mr Maynard exchanged views with his counterpart in what they described as a congenial and friendly atmosphere on the current world situation and their governments' hopes and aspirations on matters of mutual interest.

The communique says that in view of shared political ideals and a desire to strengthen economic and technical cooperation between them, the two countries have reached agreement to establish diplomatic relations as soon as possible. They also have agreed to promote economic and trade relations including cooperation in the fields of commerce, tourism, and agriculture. It was further agreed that the two parties will foster technological exchange and appropriate related investments. [end recording]

## Barbados

### Diplomatic Relations Established With Thailand

*FL2211174288 Bridgetown CANA in English 1708 GMT 22 Nov 88*

[Text] Bridgetown, Barbados, Nov. 22, CANA—Barbados and Thailand Tuesday established diplomatic relations at ambassadorial level, the foreign ministry here announced.

Agreement on the establishment of ties was reached in New York with an exchange of notes between the two countries ambassadors to the United Nations, it added.

### Foreign Minister at Work After Heart Attack

*FL2211225088 Bridgetown CANA in English 2209 GMT 22 Nov 88*

[Text] Bridgetown, Barbados, Nov 22 CANA—Barbados foreign minister, Sir James Tudor, was back at work Tuesday, a little under two months after being admitted to hospital following an apparent heart attack, the Government Information Service (GIS) has reported.

Sir James received Trinidad and Tobago's high commissioner, Laily Valere—his first official function since re-assuming duties.

The 69-year-old minister was taken from his office to hospital September 29 after complaining of chest pains. GIS quoted Sir James as telling Ms. Valere Tuesday he was "definitely much better."

## Dominican Republic

### Electoral Board Names Pena Gomez PRD President

*FL2211201588 Santo Domingo Radio Popular in Spanish 1008 GMT 22 Nov 88*

[Text] The Central Electoral Board has recognized Dr Jose Francisco Pena Gomez as president of the Dominican Revolutionary Party [PRD]. In its expected decision on the internal conflict of the PRD, the electoral board rejected the expulsions that were produced by both factions and called for the return of Lic Jacobo Majluta and his followers to the positions they had in the party.

Former President Majluta said that the electoral board's decision is a victory for one group, but regrets that Dr (Jose Rafael Morina Urena) [words indistinct] as president of the PRD.

After being informed of the electoral board's decision in Washington, Dr Pena Gomez decided he will return to the country today.

### Former President, Cohorts Trial Continues

*FL2111164988 Santo Domingo Cadena de Noticias in Spanish 0939 GMT 21 Nov 88*

[Text] The trial against former President Salvador Jorge Blanco and his collaborators, who are accused of administrative corruption, will continue today.

Dr (Juan Maria Salahibo), judge of the seventh criminal court, said on Saturday that the trial will continue today with testimony from other witnesses.

Among those who have testified in the hearings up to the moment are Dr (Mario Vinicio Castillo), Brigade General (Salamon del Monte Tabares), Comptroller General Lic Jose Antonio Guzman Alvarez, and Retired Major General [first name indistinct] Gonzalez.

In general, the witnesses have blamed former president Jorge Blanco of [words indistinct] of the Armed forces and the police during the past government.

Today, Monday, the hearing will begin with testimony from other witnesses, which total 40.

### Nine Electricity Plants Nonoperational

*FL2211165688 Santo Domingo Cadena de Noticias in Spanish 0943 GMT 22 Nov 88*

[Text] The electricity crisis continues to affect industrial, trade, and domestic activities. At least 9 of the Dominican Electricity Corporation's [CDE] plants are not in operation. More than 30 energy circuits are out of order.

The current energy deficit of the CDE is estimated to be more than 300,000 [measurement not given].

In the meantime, outages continue to irritate the population.

### Cocaine Confiscated in San Francisco de Macoris

*FL2211184088 Santo Domingo Cadena de Noticias in Spanish 0954 GMT 22 Nov 88*

[Summary] Inspectors from the National Drug Control Administration from San Francisco de Macoris have confiscated 57 portions [as heard] of pure cocaine that were thrown into a building by two unidentified people on a motorcycle. The building belongs to Mr Ramon Antonio Camacho. The national police are searching for the individuals who threw the drugs.

## Haiti

### CATH Calls for General Strike on 21 Nov

*FL2211132488 Port-au-Prince Radio Nationale in Creole 1400 GMT 21 Nov 88*

[Excerpts] The news here in Haiti today is the general strike called by the CATH, the Autonomous Organization of Haitian Workers with headquarters on Rue des Casernes, and several other popular organizations: the COA [acronym as heard], which is the Haitian Workers Committee; the Association of Families and Friends of Patriotic Soldiers, who are currently in prison; the People's National Assembly; and the League of Former Haitian Political Prisoners. [Passage omitted] Several other political organizations, such as the Coordinating Committee of the Democratic Forces, had expressed support for this strike; while other organizations, such as the Movement for the Organization of the Country, MOP, which contested the strike, were against it.

According to the leaders of the RDC [Christian Democratic Assembly] and the PNDPH [National Democratic and Progressive Party of Haiti], this strike is the logical result of a situation that has lasted too long here in Haiti. That is what Eddy Volel [leader of the RDC] said to RTNH [Radio Tele-Diffusion Nationale d'Haiti, the national radio and television stations].

Several associations have said that the CATH has overstepped its limits as a union. These associations feel that the CATH has no right to make demands that have nothing to do with the kinds of things a union organization should concern itself with—there are a number of points that are essentially political matters.

On the other hand, some people, such as Turneb Delpe of the (?PNDPH), have said that they support all of the CATH's demands unreservedly. [passage omitted]. Among the other popular organizations that support this strike are church groups. [passage omitted]

For its part, the military government has declared in an Information and Coordination Ministry communique that this strike is illegal. The government says the strike violates the liberties of people here in Haiti.

Also, Social Affairs Minister Arnault Guerrier has explained why he considers this strike illegal. He did this over RTNH radio and television. He said that the CATH had stepped outside (?the framework of the Ministry of Social Affairs). He said that all the other organizations supporting this general strike have almost nothing to do with union matters. He said that many of the points brought up in connection with this strike are political rather than union matters. In connection with the Father Aristide matter, Minister Guerrier said that the Haitian Government has nothing to do with church matters—that this is a church matter, and not a government matter.

There was also a communique issued that spoke to the security measures taken by the government to provide security for all sectors of society, so as to avoid disorders or mistakes of any kind during this general strike. We remind listeners that in this communique from the Ministry of Interior and National Defense, the minister said that the police and the Army will do everything they can to ensure that there is security on 21 November 1988. [passage omitted] The communique also said they would facilitate transportation, so people could go to work and students could go to school. [passage omitted]

For his part, Lieutenant General Prosper Avril, head of the military government, considers this call for a general strike a test that will allow a person to judge the Haitian's people maturity, and ability to reflect, and to see if they are going to support such a decision—a test which will show if the Haitian people are really ready for the democratic battle here in Haiti. Avril said at RTNH.

[Begin Avril recording] I see a union—for it is a union that issued this strike call, I believe—one of the unions calling for the Constitution to be applied. I see this union calling for a nationwide general strike in connection with

a work conflict in a single business in Port-au-Prince. I see a union that is asking for the Constitution be applied and the laws be respected calling for a general strike that has to do with politics.

And I also note that nobody is defining what union is. I mean, as you know, I always have a copy of the Constitution with me. If you open the Constitution to the section about unions, what does it say? It says [Avril reads in French]: The freedom to form unions is guaranteed. All private and public sector workers may adhere to a union of their professional activities for the exclusive defense of their work interests. [Avril switches back to Creole] This is Article 35.3 of the Constitution of 1987, which everyone loves.

Then, further on, it says, in Article 35.4: [Avril reads in French] Unions are essentially apolitical, nonprofit, and (?nondenominational). [Switches back to Creole] What does this mean? This means that the Constitution does not give a union the right to defend any interests other than its work interests. Thus, in the society in which we are living—I was talking to you about the disintegration of the social fabric, right? —certain people feel it is the government that should stay within the law, but that people outside the government don't have to respect the law or the Constitution. That is where the problem lies.

Now, how should I take, how should I interpret, something like this? I should look.... [changes thought] This should constitute a test [preceding word in English], to take a look at the society. Has the society reached the point where even if someone is violating the law, the society is going to obey that person anyway? This too is going to serve (?me) as a test, so I can see how mature the society is now; and this is going to allow me to evaluate how much work this government needs to do before there really can be a democratic process and a democratic government leading the country. [end recording] [passage omitted]

This morning, public transportation activities in Port-au-Prince were a little timid. There were only a few public transportation vehicles in the streets, for example from Carrefour and the Cites. There were only a few students in the streets. There was a nice [bel] number of military—police and Army—patrols in the streets of Port-au-Prince to ensure security. This is what our reporters in the streets of Port-au-Prince reported at around 0630-0700. It is now 0923. [passage omitted]

[Mobile unit reporter—live] [Passage omitted] At 0923, activities are quite in Port-au-Prince. Things are very different in Petion-Ville, however. We see that, as far as commerce is concerned, everything is normal. The marketplace in Petion-Ville is full of people, shopping normally.

Restaurants, grocery stores, and so forth are functioning normally. In regard to schools, things are not very good. According to the director of the Lycee de Petion-Ville, it seems few students showed up for class, so the Lycee is not functioning in a normal manner. Public transportation on the Bourdon and Freres roads is 50 percent operative. [passage omitted]

[Announcer] Here, live from Jeremie, is our correspondent Luckner Laguerre, who will tell us how Jeremie awakened this morning. Jeremie, you are on the air.

[Laguerre] [Passage omitted] We see that all the schools in Jeremie have remained closed, so students are not going to school. Several public services are open. The marketplace is functioning, but with a bit of a slowdown. We can understand this, though, because last Saturday there were people going through the marketplace distributing tracts. The tracts announced to the vendors—the peasants—that they were to stay home and not come in to market. The marketplace is functioning anyway, but you can see that it is not the way it usually is here in Jeremie. [passage omitted] The stores are closed, except for the small grocery stores, which are open. Public transportation to Marfranc Moron is operative. [passage omitted]

[Announcer] As we said, Mobile Unit 12 is in the streets of Port-au-Prince. It has been all over Port-au-Prince and is going to tell us what it has seen.

[Mobile 12 reporter—live] [Passage omitted] At 0850, we were in the Carrefour Feuilles area, where, as we said earlier, traffic was very light. [passage omitted] When we went to the bus stations, three buses for Les Cayes—Saint Pierre, Dieu Tout Puissant, and [name indistinct]—were loading up to leave. We saw almost none of the trucks that carry merchandise and groceries. There were a few vendors along the road, as usual, however. At the station from which the buses leave for Cap Haitien, all the buses were loading normally. We saw some seven of them loading normally.

In the Mevs industrial park, according to the information we were given, not everyone came. There was some 50-60 percent (?absenteeism). We were told, however, that factories might close between 1300 and 1400 because the people who cook for the workers did not show up, so they are going to have to let the workers go at between 1300 and 1400. They cannot keep them all afternoon.

Traffic around Cite Soleil is very slow. We would guess there are some 10 percent of the vehicles that go from that area to the center of town working. Some 40 percent of the vehicles that go out to the Bon Repos area are working. There were only two buses at the Plaisance l'Estere bus station.

We went to Acierie d'Haiti too. We were told by officials there that almost all the workers showed up, but that there were no sales, that people were not coming in to buy this morning. We also went to the industrial park, where we were told that some 30-40 percent of the workers showed up. Some 60 percent did not show up.

At Mais Gate Airport, we were told that everything was functioning normally. [passage omitted] We would say that only some 20 percent of the public transportation vehicles to the airport are on the road. [passage omitted]

We are at Delmas now. [passage omitted] We would say some 15-20 percent of the public transportation vehicles that normally provide transportation between Delmas and downtown Port-au-Prince are working. That is, roughly, the situation at between 0900 and 0930, Bolivar. [passage omitted]

[Bolivar] [Passage omitted] I would like to ask you one question, (Serges). What are things like in the heart of Port-au-Prince, in the commercial center, on the Grand Rue?

[(Serges)] [Passage omitted] The stores are open, but there is not the usual heated activity downtown. There has been a slowdown, because of the public transportation on the Grand Rue. It is pretty empty. Most of the shops and small grocery stores are open, but you do not see the intense activity that is the norm for this area. [passage omitted]

[Port-de-Paix correspondent (Theodore Megalos Axius)—live] This morning, Monday, 21 November, life is normal in Port-de-Paix. The general strike is being observed in only one sector: the schools. There is only one school operating normally: Notre Dame de Lourdes, which is run by Canadian monks. This is because they told students last Thursday that they were not going to strike and students would be expected to come to school normally. Government offices, businesses, and public transportation are working. Three buses left Port-de-Paix for the capital this morning. Traffic between Saint-Louis du Nord and Port-de-Paix is normal, and all activities are normal. The peasants came into the marketplace normally, and everything is normal in town. This is (Theodore Megalos Axius) for RTNH, in Port-de-Paix. [passage omitted]

In Saint-Marc, we have learned from our correspondent (Rodrigue F. Sejour) that only the schools are not operating.

[(Sejour)—live] [Passage omitted] Only the buses running between Saint-Marc and Port-au-Prince seem to be observing this strike. Businesses are open and functioning normally. Public offices are open. Only the schools are shut down here in Saint-Marc. A few of them are operating too—those run by the monks and the nuns, and the (Saint Douglas) School. All the other schools closed down (?because) the students did not show up. [passage omitted]

[Aquin correspondent Julio Appolon—live or recorded] [Passage omitted] Public transportation is paralyzed. [passage omitted] All public and private offices were open this morning—such as City Hall, the civil court, the office of the representative of the Department of the Public Prosecutor, the tax office, the courts of conciliation, and the schools. However, not a single student showed up for school. [passage omitted]

[Jacmel correspondent Mozart Duplan—live or recorded] In connection with the strike called for by the CATH, in Jacmel, all the stores, shops, and small grocery stores opened. Everyone is going about their activities peaceably, without any disorder or confusion. The marketplace is functioning normally. All the government offices opened. Everyone is going about their business in the streets. Only the schools are not functioning, and public transportation vehicles are not traveling to Port-au-Prince. We talked to a number of drivers, who told us that the reason they weren't going to Port-au-Prince was mainly because they were afraid of sabotage. They said they were afraid that something might happen to them along the road. [passage omitted]

### Further on Strike

*FL2211193288 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 22 Nov 88*

[Excerpts] The big news is the 24-hour general strike called yesterday, 21 November, by the CATH [Autonomous Organization of Haitian Workers]. This strike was lifted at midnight last night. [passage omitted]

A considerable slowdown in activities was noted in the capital, especially in schools and public transportation. However, the strike was observed to a greater degree in the provinces—to begin with, in Cap Haitien, where the population is generally quite restrained about following strike orders.

In Cap Haitien in northern Haiti, schools and transportation were completely paralyzed. According to our correspondent, the strike was observed 95 percent. [Passage omitted] The scenario was the same in the northeast, according to our correspondent in Fort Liberte. [passage omitted] The strike was also followed in Les Cayes, according to a report from our correspondent there yesterday, 21 November. [passage omitted]

The same scenario was observed in Jeremie, according to a report from [correspondent] Frankel Valentin in the Grande Anse. [passage omitted] Our correspondent informs us that the strike was observed in the Mirebalais area too. [passage omitted] Our correspondent has informed us that in the Saint-Marc area, in the Artibonite, all the government offices were open. Only the schools were affected. In Port-de-Paix, we have learned that the strike order was partially followed. Things were this same way in Cabaret, Petit Goave, and Miragoane.

On the other hand, we can point out that there were no incidents or threats reported anywhere in Haiti. In both the capital and the provincial towns, the strike was either partially or carefully followed. [passage omitted] Thus, it seems that the population adhered to the strike without any problems.

On the other hand, however, in a note sent RTNH [Radio Tele-Diffusion Nationale d'Haiti, the government radio and television stations] the day before yesterday, the Ministry of Justice threatened workers who might fail to report for work. A Justice Ministry source told us that attendance was carefully checked yesterday morning. [passage omitted]

### Strike Termed 'Success'

*FL2211194588 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 22 Nov 88*

[Text] According to the Autonomous Organization of Haitian Workers [CATH], yesterday's general strike was 85 percent successful. In the name of the workers and peasants, CATH thanks all the nation's sectors, and first and foremost the sectors from the nation's nine geographical departments that shouldered their responsibilities and helped CATH make the strike a success. CATH said the strike was held to call national and international public opinion's attention to the immediate demands being made by the nation.

Jean Auguste Mesyeux [CATH executive secretary] said the strike was lifted at midnight last night; and he reproached the government for, instead of paying attention to the demands, having preferred to threaten the popular organizations. Let's listen to him.

[Begin Mesyeux recording] Today, 21 November, is a big victory that we have won against the macoutes and the bigshot employers in Haiti. Instead of the government's satisfying our demands, it is threatening the people's organizations. We have won a victory, but we have not yet won the battle. We will continue to mobilize until the government satisfies us on all points.

Await the other instructions we are going to issue in the coming days. This strike will be lifted at midnight, as we announced earlier, because it is a warning strike. We thank all the organizations that supported the strike, and all others in both the capital and the provinces who were in solidarity with us during this big mobilization. We absolutely must liberate Haiti from these macoutes!

This is Jean Auguste Mesyeux, CATH executive secretary. [end recording]

### Adesa Committee on Strike

*FL2211195588 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Nov 88*

[Excerpts] The Adesa [not further identified] committee in Saut d'Eau supports the general strike for today, 21 November. They are also asking for the release of the three soldiers from Saut d'Eau who are in prison accused of planning to break into Roland d'Haiti's house [in Saut d'Eau]. Adesa also asks a few questions about Roland d'Haiti's house in Saut d'Eau. Let's listen.

[Begin unidentified speaker recording] [Passage omitted] We of Adesa unreservedly support the strike that the CATH [Autonomous Organization of Haitian Workers] is calling for on Monday, because the Avril-Heubreux government cannot solve the country's political problems. We think that if the Avril-Heubreux government really wanted to do something serious for Haiti, it would propose a national coalition government, in which even Avril himself could participate.

Secondly, we demand the unconditional release of three enlisted men stationed at the Saut d'Eau barracks who have been accused of intending to attack Roland d'Haiti's house.

What we of Adesa would like to know is: When these enlisted men were going to attack Roland d'Haiti's house, why were they going to attack it? Roland d'Haiti is a former Tonton Macoute, and everyone knows how he died. That is why we ask that these enlisted men be released unconditionally.

We of Adesa noticed that right after 17 September, there were many people living in Roland d'Haiti's house. We can't say that they were Tonton Macoutes, as the enlisted men claimed—but we did notice that the house had people in it. Nobody ever came to that house before 17 September—and after 17 September, here are these people, living in the house. That is also why we are asking: What kind of people are they—the people who were living in that house? (?Was) it Roland d'Haiti? Or was the light that was being lit in that house every night (?lighting itself)? [end recording]

We remind listeners that in a letter they sent the press, the soldiers in prison said that a group of detectives [attaches] had gone and taken refuge in Roland d'Haiti's house in Saut d'Eau after 17 September, under the protection of Commandant Jean Remy. The soldiers said that they did not agree with this, and were grumbling, and that is why the commandant arrested them.

For his part, the commandant denied this report, and said that the soldiers had been planning to go cause disorder in the house. The soldiers had asked that an investigation be conducted. [passage omitted]

### City Hall Workers Protest, Demand Salaries

*FL2211200588 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Nov 88*

[Excerpts] The Port-au-Prince City Hall workers responsible for cleaning up the streets and unstopping the sewers continued, on Saturday, 19 November, to protest against magistrate Carmen Christophe and demand their October salaries. According to these workers, the magistrate asked them to go out to Petite Place Cazeau for their salaries. The workers don't want to because they are

afraid of being robbed. The workers say that while they have been protesting in front of City Hall, soldiers have fired shots, and some of them could have been hurt. [passage omitted]

Also, we remind listeners that these workers demonstrated, late Friday evening, in front of the palace, making these same demands; and we have learned that payment was made at Petite Place Cazeau anyway, but that there was a big ruckus. It is reported that rocks were thrown, and that the magistrate's vehicle was even hit by rocks.

Mrs Christophe says that the people creating the disorder have nothing to do with City Hall. They have no documents whatsoever proving that they work at City Hall.

## ANDA Asks Agriculture Minister To Resign

*FL2211203588 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Nov 88*

[Text] (Anda) [National Association of Agricultrual Professionals of Haiti, Asosyasyon Nasyonal Agro-Profesyonel Ayisyen] has stated its position on the incident at Damien [School of Agriculture and Veterinary Medicine of the National University of Haiti, which houses the Ministry of Agriculture].

In connection with the confusion going on at Damien for over a month now, and especially the incident on 17 November between the minister of agriculture and several high-ranking Agriculture Ministry officials—whereas nothing has ever been said about the serious fundamental problems that are ravaging Haiti's agriculture, such as the pig problem, the land ownership problem, the reforestation problem, the water problem, the destruction of national production by contraband, and the technicians' working conditions in the field—(Anda) says:

In view of this situation, we of the (Anda), which is the National Association of Agricultural Professionals of Haiti, wish to inform everybody that what is going on at present has nothing whatsoever to do with Haiti's agricultural problems. Most of the agronomists and other people working at the Ministry of Agriculture are not in favor of either of these groups of high-ranking officials, who are fighting for positions and money.

(Anda) says: These officials' behavior is going to sully all Haitian professionals in the eyes of national and international public opinion. For the honor of the profession and all Haitian professionals, and for the respect of the country, we members of (Anda) ask that the minister, the general director, and the deputy general director resign immediately.

We also ask the pertinent authorities to take quick measures to not only make changes in personnel but also and especially to reorganize the ministry.

(Anda) asks all agronomists, all professionals working in agriculture, all students of the Faculty of Agronomy, and all peasant groups and organizations to mobilize in order to find a definitive solution to this problem that Damien is going through.

## More on Dispute

*FL2211202788 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Nov 88*

[Excerpts] We remind listeners that there has been a conflict going on at Damien [Faculty of Agronomy and Veterinary Medicine of the National University of Haiti, which houses the Ministry of Agriculture] between a number of department heads and Minister of Agriculture Agenor for the past few weeks. On Thursday, 17 November, during a meeting supposedly held to discuss the problems, people started hurling insults at one another, and the minister and the agronomists almost came to blows.

In a letter to President Prosper Avril, several Agriculture Ministry department heads asked for another minister—one capable of running Damien properly. The agronomists protested statements the minister had made to the press and asked that employees be shown respect and given security.

For its part, Damien's minor employees did not at all agree with the demands of these department heads. The minor employees described the department heads as crooked wheeler-dealers.

Meanwhile, Agriculture Minister Agenor went on a tour of the Artibonite.

[Begin unidentified reporter recording] [Passage omitted] According to Minister Agenor, he had gone to Gonaives because he liked to see problems for himself, so that he could talk to people and understand the problems better. [passage omitted] The minister said that he was going to find a way to do something about this problem.

We seized the opportunity to touch on many other topics with the minister who was passing through—such as the recent wage problem at the ODPG [Agency for the Development of the Gonaives Plain], the problem of the lands in Savane Desolee that have been going to waste for such a long time without any Haitian Government ever saying anything about them, the problem of the Artibonite peasants who are being ruined by the importing of rice, the toxic waste problem, and the problem he is confronting with employees at Damien. [passage omitted]

## Political Party Issues Statement on Shootings

*FL2211205188 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 21 Nov 88*

[Text] There has been shooting going on all night long in different parts of Haiti for the past few days. And in addition, bodies are being picked up in the streets and armed robberies are occurring! A climate of insecurity has enveloped Haiti.

From what we have noticed, it looks as if those who are doing the shooting are traveling in vehicles. At approximately 2430 last night, we noticed the muzzle of a 45-caliber gun that was being fired into the air sticking out of a small taxi. This taxi was jam packed with both men and women. The question being asked is: What is going on in Haiti?

Jocelyn Beauchard, president of the National Union for the Defense of Democracy and Human Rights [Inyon Nasyonal Pou Defand Demokrasi ak Dwa Moun], has also issued a statement on this situation.

According to Beauchard and his party, the capital has become a real battlefield. One would think one was in a battlefield (?in) Vietnam, or in Texas—says Beauchard—or (?some such place), where there is shooting left and right all the time, for any old reason!

Beauchard wonders who is doing all this shooting. He then says that according to an investigation carried out by the party, it is the Haitian Army and the police doing all this shooting, allegedly intending to provide security for the population. Beauchard says: Indeed, if (?our) investigation is correct, the Army and the police have (?failed in) their true mission.

Why? Because, says Beauchard, these two institutions, which should be the most serious in the country, have come to exhibit true macoute behavior. Only Duvalier's macoutes were in the habit of firing off rounds like that, in order to keep the population scared so that the Duvalier dictatorship could take root well in Haiti.

Beauchard and his party say that if a person or group wishes to provide security for the population, they should not shoot all night long but should instead set up proper patrols; increase the number of Army and Police troops; and increase the salaries of the soldiers and policemen and improve the troops' lodgings, means of transportation, and diet.

The party continues: How can a government—the Army and the police—provide security for a population merely by firing weapons at night and preventing people from sleeping, keeping people awake, and making them live in fear and anxiety? This can only be called lack of discipline and incompetence. There is no other name for it. This is macoute behavior. Policemen should not be afraid of the dark. When policemen shoot at night like that, it is because they are afraid, and for no other reason. This is a waste of bullets. This is costing the government money, and Haiti is the poorest country in the world.

The party says that this business of shooting all night long simply cannot continue; therefore, the party asks the military government and the Haitian Armed Forces [FADH] General Headquarters to stop this business of firing weapons at night in Port-au-Prince. The party asks them to organize proper patrols. What the population wants is not to have someone shooting all night long; rather, it wants security, food, health care, and schools to send its children to.

Beauchard and his party say: Down with shooting at night. Long live proper patrolling at night. This is why we are asking the military throughout Haiti to be more disciplined and more vigilant as regards this problem of insecurity.

The National Union for the Defense of Democracy and Human Rights asks the FADH General Headquarters to give the soldiers new training on democracy and on human rights, so that the democratic process can be carried out better in Haiti—because one is always hearing about some soldier or some communal policeman's mistreating the population. The military should respect human rights throughout Haiti. This is the only guarantee that there will be a proper reconciliation.

## President-elect Bush, Salinas Meet in Houston

*PA2311044488 Mexico City XHTV Television in Spanish 0230 GMT 23 Nov 88*

[Report on meeting between President-elect Carlos Salinas de Gortari and President-elect George Bush by unidentified reporter at the Lyndon B. Johnson Space Center in Houston, Texas, on 22 November—recorded]

[Text] [Begin recording] [Reporter] President-elect Carlos Salinas de Gortari and U.S. President-elect George Bush announced today that they will dedicate the greatest political effort of their respective governments to review and correct omissions, create new terms, and create a system of cooperation that will definitely solve such problems as the foreign debt and drug trafficking, now considered among the most conflictive in bilateral relations.

At the end of the 2 and 1/2-hour visit, both presidents said they would use dialogue, political negotiation and personal relations as the fundamental elements for solving bilateral problems. At the end of the meeting Mr Bush said the United States considers the improvement of relations with the Mexican Government as fundamental.

[Bush, in English followed by translation into Spanish] And we've begun on a dialogue that I think both of us want to continue. We discussed a wide array of issues, specific issues, and I am absolutely confident, after this initial visit, that we are both committed to improving a bilateral relationship that is essential in my view, as far as the United States of America is concerned.

[Reporter] At the farewell ceremony in the NASA recreation building, Mr Salinas de Gortari expressed his conviction that the start of the two administrations and identification with the problems that are of interest to both nations will favor bilateral understanding in the coming years.

[Salinas] The fact that on this occasion the Mexican president-elect's term coincides with the beginning of a new U.S. Administration, and that the topics are of fundamental interest to Mexico and the United States, makes this a great opportunity for the dialogue that we have established—I am sure—to produce concrete, positive results for both nations.

[Reporter] The decisive meeting for Mexican-U.S. relations in the next 10 years began at 1245 when Mr George Bush greeted the Mexican president-elect at the Ellington Fields Airport. The Mexican and U.S. Presidents-elect arrived 30 minutes later at room 218 of the NASA recreation building to exchange greetings, protocol gifts, and begin the first meeting. According to official reports, it established a personal, friendly, and permanent relationship, outside of the protocol they must follow when they assume their respective mandates.

After this initial meeting, Salinas de Gortari and Mr Bush and their entourage met for lunch. The topics broached were the foreign debt, drug trafficking, immigrant workers, and bilateral trade. The issue of Central America was not discussed. Mr Fernando Solana and Jaime Serra Puche, Salinas de Gortari's advisers, sat next to him. James Baker, newly appointed secretary of state, and Nicholas Brady, confirmed as secretary of treasury, sat next to Mr George Bush.

The press communique on the meeting stated the following:

1. The foreign debt is a delicate matter in Mexican - U.S. relations. Therefore, the Mexican delegation noted that it is essential to have the understanding and supportive attitude of the U.S. Government to find new formulas that will permit the Mexican economy to grow.

2. The presidents-elect agreed on the need to intensify programs of bilateral cooperation and to expand multilateral and regional cooperation to fight drug trafficking, which is a delicate problem that is susceptible to causing friction between the two countries.

3. The two presidents agreed not to take unilateral measures that affect the expanding bilateral commercial relations.

4. Mr Salinas de Gortari and Mr Bush recognized that the immigration of Mexican workers to the United States is related to the foreign debt problem and agreed that in order to halt this phenomenon it is necessary to reestablish the growth of Mexico's economy.

The Mexican delegation requested a consistent attitude on the part of the U.S. authorities to guarantee the application of international law to protect Mexican workers who provide manpower to U.S. companies. Mr Salinas de Gortari bid farewell to Mr Bush at Ellington Fields Airport. The Mexican president-elect arrived in Mexico City at 1830.

### Further Reportage

*FL2211221088 Mexico City NOTIMEX in Spanish 2103 GMT 22 Nov 88*

[Text] Houston, 22 Nov (NOTIMEX)—President-elect Carlos Salinas de Gortari has said that today's meeting with U.S. President-elect George Bush is an unvaluable opportunity to begin a new stage of cordial dialogue and cooperation and to strengthen in a respectful way the existing ties between the two countries.

In a message to Mexican journalists, Salinas de Gortari asserted that his visit to the United States, together with the ones he paid to Guatemala and Belize, are within the framework of cordial relations with Mexico's neighbors.

Explaining that the goal of the meeting will be to always promote Mexico's interests in the area of international coexistence, he added that he must recognize the work the present Mexican Government has done on this.

The Mexican president-elect said the agreements reached in the fields of trade and investment, energy, radio communications, toxic waste disposal, border cooperation, fight against drugs, and defense of migrant workers have shown the world some of the results of maintaining good-will relations among neighboring nations.

Salinas de Gortari met in Houston today with U.S. President-elect George Bush in an informal meeting at the National Administration of Space and Aeronautics (NASA) where they first held private talks and later met with their respective delegations .

### Communique Issued

*FL2211223388 Mexico City NOTIMEX in Spanish 2211 GMT 22 Nov 88*

[By Jose Carreno, special envoy]

[Text] Johnson Space Center (Texas, U.S.A.), 22 Nov (NOTIMEX)—President-elect Carlos Salinas de Gortari and the next U.S. head of state, George Bush, held today an informal meeting.

A communique issued by the Mexican president-elect's office stated that the meeting was held in an atmosphere of great cordiality and respect.

Unofficial reports indicate that the matters discussed were mainly on the foreign debt and drugs issue, within a framework which also included trade, immigration, and—on a lower level—international, environmental, and energy matters.

The Mexican communique stated that the foreign debt subject was a prominent one and added it is evident that the understanding and solidarity of the U.S. Government is essential for Mexico in order to find new ways which would allow the Mexican economy to grow.

In this sense, the communique stressed that within the framework of a growing interdependence, the asymmetry existing between the two countries has, at the same time, provided the opportunity for friendship, but also will allow differences.

On the matter of drug smuggling, it stated that it will surely continue being one of the most delicate topics and the one most likely to cause friction. They noted the need to intensify bilateral cooperation programs and increase cooperation in regional and multilateral areas.

Officially, however, the meeting is informal. Bush is not even the formal President-elect and according to his spokesman Steve Hart, he will not make official statements until he assumes the Presidency on 20 January.

It must be remembered that he is a very experienced man in international affairs, said Hart, when he was asked about the wave of advice and suggestions given by various groups and even by former Presidents Gerald Ford and Jimmy Carter.

From the official U.S. standpoint, the Houston meeting is only an opportunity to meet the people who will have to talk and negotiate in a difficult relationship.

During his trip to Washington, Bush reiterated that the meeting makes evident the importance he gives to Mexican-U.S. relations. He said: It is a good time to do it; it will be much more complicated after we take power.

According to a document presented by the U.S. Vice President's press office, his country has vital strategic, security, economic, border, and population interests in Mexico.

The United States, added the document, has a great interest in having and maintaining a stable, friendly, and prosperous neighbor, one that is willing to cooperate with us to deal with bilateral, hemispheric, and global issues.

### Salinas Supports Dialogue With Opposition

*PA2211125488 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 21 Nov 88*

[Text] President-elect Carlos Salinas de Gortari said the time has come to take further steps towards dialogue with opposition groups. A communique issued this morning by the president-elect's social communications coordinating board states that Carlos Salinas de Gortari has invited the National Action Party to discuss its proposal aimed at avoiding confrontations, promoting dialogue and unity, and assuming a national commitment for the respect of law and democracy. The Mexican president-elect admitted the proposal is positive and said new steps will be taken to ensure this respectful dialogue will be held with the rest of the opposition groups.

President-elect Carlos Salinas de Gortari will travel to Houston tomorrow to meet with U.S. President-elect George Bush.

### Cardenas on Importance of Local Elections

*PA2311033388 Mexico City UNOMASUNO in Spanish 18 Nov 88 pp 1, 7*

[Part 1 of report on interview with Cuauhtemoc Cardenas, former presidential candidate of the National Democratic Front, by Teresa Losada, during municipal election campaign tour in Tlaxcala State; date not given]

[Text] [Losada] Why do you think it is important to participate in the [local] elections, if you say the government is going to continue applying the strategy of the clean sweep in the elections?

[Cardenas] We must improve our ability to organize and to act and this can only be achieved if we expand unity. When we have more strength and ability, we will be able to remove those who are illegitimately in the government. At some time we will be able to win, when we have representatives with sufficient strength to prevent being voted out, when our ability to mobilize our support can implement the decisions of the majority. The people want to solve things peacefully and through elections. They are not thinking about violence. It is irresponsible to threaten violence. No one is prepared to use it.

[Losada] Will the Party of the Democratic Revolution [Partido de la Revolucion Democratica—PRD] have the ability to organize and mobilize?

[Cardenas] Some thought that after the presidential elections, the people were going to stop organizing but just the opposite has happened. That organizing activity demonstrates it is through organization that we are going to solve the political problem of authoritarianism and the country's social and economic problems. We need to provide a structure and direction for political participation. That is why we called for a new organization effort. The call was addressed to people who have not yet organized, to organizations that have not registered, and to registered parties that have joined us in this new effort.

[Losada] Why a new party?

[Cardenas] We think it is emerging without problems, without the defects other organizations might have, with a broader appeal

to the people.

[Losada] How do you think you can prevent the PRD from acquiring the defects of almost all parties: bureaucracies, elites, lack of internal democracy, overevaluation of the machinery, etc?

[Cardenas] We have proposed that it be an organization that will be democratic when making decisions and consultations, that will be open and pluralistic, having respect for the various currents of opinion, but without losing unity and discipline. For example, recognition of various opinions will not mean obligatory participation in the leadership bodies. Membership is individual.

[Losada] How are you going to do this with the other parties?

[Cardenas] We are not going to receive their structures, we are going to receive their members. The problems of those structures are the owners and they will have to leave them at home; we are not going to accept them.

[Losada] Do you mean PRD leadership positions will be filled through internal democratic processes?

[Cardenas] Yes, presently there are provisional bodies. Birth must take place somehow, and in this case, an act of birth is an act of will. If we close ourselves off and form sects we will have defects and above all, we will be unable to act with the general movement; we would isolate ourselves. We need a great opening and we must practice democracy daily.

[Losada] One of the biggest criticisms of the PRD is that it lacks a party agenda.

[Cardenas] One of the immediate tasks is the drafting of the party's documents, its declaration of principles, agenda, and rules. We believe these will be ready on or about 5 February. We cannot have a program until we have drafted it. There are general guidelines. We think the general political commitment is to put into practice the national project of the Mexican revolution, the project of democracy, that of struggling to achieve full economic independence, the full exercise of national sovereignty, the eradication of misery in the country, and respect for the ballot.

[Losada] Are the demands of the 1910 revolution and the 1917 Constitution still valid in the latter part of the 20th century?

[Cardenas] It is still valid to talk about respect for the ballot; I do not see how a democracy can be built if voting in elections and in labor and social organizations is not respected; this is essential. If it means returning to the past and talking about Francisco I. Madero, I would be willing to do that; let us go back to the past. We staged a revolution 78 years ago and have been unable to carry out effective elections. If eradicating destitution means looking back to the past, so be it. To enter the microelectronic and bioengineering era at a time when some people have no roads, electricity, or potable water seems absurd. This government only aims to modernize towns that are a little more advanced and forget the others; we will only have enormous isolated poor areas.

[Losada] Is it not true the current idea that we must "modernize" suggests a certain authoritarian concept of progress?

[Cardenas] We must solve many problems and there are many ways to achieve progress. The government maintains that we should advance to the limits of dependency while subordinating us to interests that are not our own. We believe we must advance in accordance to our interests; we must raise the Mexican worker's standard of living. We can no longer give priority to paying the foreign debt at the expense of the country's economic growth. The priority should be to promote growth and create jobs; there are 8 million unemployed. To say that payment of the debt is not a priority does not mean we will disregard it. We simply believe new terms must be negotiated; we can do this. The president of France and other industrialized countries and U.S. Senators have

made this observation. This means that others are realizing that debtor countries need to grow and that the living conditions of our workers is a priority.

[Losada] What does democratic revolution mean?

[Cardenas] To continue advancing within the guidelines set by the Mexican revolution. At present, nothing will be achieved without a genuine democracy and an equitable distribution of wealth leading to better opportunities for all. We must complete the agrarian reform and other unfinished political processes and social changes. We had achieved a more independent public education but now support is being denied to education and research. Road construction and irrigation projects are not being completed at the pace demanded by the country's social, economic, and demographic growth. For example, how can we explain the fact that in this age of satellites, electronics, and computers, the state is disassociating itself completely from the field of air transport; how can railways be deemed strategic but not aviation? Why is it the state did not also sell the railway to Televisa [largest Mexican television network]?

The goal is to return to a path. This does not mean returning to the past but simply to place ourselves on the correct path.

[Losada] What do you think is the cause of this straying away from the correct path?

[Cardenas] An inability to organize the forces of the revolution democratically; the inability of the political system to expand democratically; instead, it chose authoritarian and undemocratic means. Perhaps the first serious setback was accepting reelection. This led to the assassination of President-elect Alvaro Obregon and the following period also dealt a serious setback to revolutionary ideology. Later on, there were deviations in the areas of agriculture and education—some were rectified and others were not.

Since de la Madrid assumed power we can no longer say the only deviations were brought about by corruption and rather weak ideological positions or interests. I believe de la Madrid has systematically and consciously destroyed the revolution. The strongest political forces have not been able to prevail against him.

## Spanish Daily Interviews Cuauhtemoc Cardenas

*PM1011094088 Madrid CAMBIO 16 in Spanish 7 Nov 88 p 94*

["R.O." interview with Mexican Democratic Revolutionary Party leader Cuauhtemoc Cardenas; date, place not given]

[Text] [Interviewer] Only the Mexican Socialist Party has promised to join the new party unconditionally. The others are remaining aloof. Does this not mean an unnecessary division of forces?

[Cardenas] No, because many Mexicans who cooperated with and supported the National Democratic Front (FDN) in the elections were not organized and did not belong to those parties. The Front will not only grow stronger through joint action but will become more effective in future election battles.

[Interviewer] There is a communist current within the Socialist Party that does not want its party to disappear. The communists seem to constitute another problem for you, since in the United States and some European countries it is feared that they will be part of your new party....

[Cardenas] ...They do indeed frighten many sectors and they use this fact to attack us. However, we will ensure that within the Democratic Revolutionary Party there is a balance and representation of very varied political forces.

[Interviewer] Senator Porfirio Munoz (the man who interrupted President De la Madrid's speech) said only a couple of months ago that it would not be a good thing to form a new party. Nevertheless here is the PRD. What prompted you to found it?

[Cardenas] Through the Democratic Front we achieved sufficient strength to prevent fraud and impositions. We need to improve our organization and to rally together those who are not organized in order to bring the possibility of changes nearer. This is why we have made this effort to organize a new party.

[Interviewer] You made several proposals in the platform document, including one for a radio and television law. Did these media really treat your election campaign so badly?

[Cardenas] It is not only my campaign. It is the lack of opportunities for expression available to all parties except the official party. We believe that access to these media must be guaranteed. The need for a television service that is not entrusted to powerful profit-making vested interests is one of the people's major demands.

[Interviewer] You also proposed suspending repayment of the foreign debt under present conditions.

[Cardenas] Under present conditions, yes: I believe it is very important to stress this. The present government has centered its economic policy on regular repayment of the debt. We are not opposed to the fulfillment of our international commitments but we believe that negotiations must be entered into with credit institutions, in which we must assert our priorities and conditions.

[Interviewer] What kind of relations should exist between Mexico and the United States?

[Cardenas] Our relations should be mutually beneficial. There has been a state of coexistence between the United States—or its governments—and Mexico's revolutionary governments that has not been negative for either of our nations. We share a border 3,000 km long. We must complement each other and there must be benefits for both sides.

[Interviewer] When presenting the party you also talked about political violence. Why does the government insist on portraying the murders of seven of your members as common crimes? Why is the Attorney General's Office so insistent that they were common crimes?

[Cardenas] Partly because the Attorney General's Office is an interested party. The statement that the motives were not political does not indicate what other motives there could have been. And partly also out of incompetence, to say the least, not to mention the fact that there could be elements within the police or elements close to hard-line sectors, radical sectors within the government committed to pursuing a repressive policy, that are not also implicated (in these crimes) [sentence as published].

[Interviewer] Now December 1 and Carlos Salinas' accession to power are just around the corner. Are you planning any surprises, such as an interruption of the outgoing president's speech?

[Cardenas] This will be decided on the basis of our capacity for action. We are involved in this struggle to restore legitimacy to our institutions and government, and no set term can be set on this struggle. We are not interested in making a noise for its own sake.

### Energy Secretary Hiriarte Criticizes OPEC

*PA2211211888 Madrid EFE in Spanish 0141 GMT 22 Nov 88*

[Excerpts] Mexico City, 21 Nov (EFE)—Fernando Hiriarte, Mexican energy, mines, and parastate industry secretary, said here today that OPEC "is not a serious organization and does not respect its agreements."

In answer to questions on the possibility of Mexico joining OPEC, Hiriarte said: "It would be another binding agreement, and things go wrong for any country that joins OPEC and acts properly."

In that way Hiriarte reiterated his criticism of OPEC because of its "lack of a serious" policy concerning "respect for agreements dealing with a ceiling on production and oil prices." Hiriarte added that "the lack of seriousness results in the destabilization of the international oil market."

Hiriarte said if OPEC decided to lower its sales volume, Mexico will reduce its export quotas to stabilize the market and reactivate oil prices. [passage omitted]

Hiriarte added that in 1988, Mexico lost approximately $1 billion because of the drop in oil prices.

That amount, however, is less than what was estimated, according to official export and price figures, which revealed that the Mexican Treasury did not receive $2 billion this year because of the drop in oil prices and sales.

### PRI Claims 'Overwhelming' Victory in Chiapas

*PA2211215888 Mexico City XHTV Television in Spanish 0200 GMT 22 Nov 88*

[Text] The PRI today gained an overwhelming victory in municipal elections in Chiapas State. Manuel Gurria Ordonez, delegate of the PRI National Executive Committee in Chiapas, said that yesterday the PRI won the mayoral elections in the state's main cities. He cited victories in Tuxtla Gutierrez, Tapuchula, San Cristobal de las Casas, Tonala, and Comitan.

Gurria said the PRI promoted clean elections in Chiapas State's 197 municipalities. We wanted to come out stronger and that was the case, he added. The PRI won in 109 municipalities.

There were also elections in Tlaxcala State yesterday, in 44 city councils and 534 municipalities. PRI spokesmen reported that the party won back (Llautepan) Municipality, which had been in opposition hands for the past 6 years.

The State Electoral Commission reported that there will be a final vote count leading to an official result on 23 November.

### Cardenist Deputies End Hunger Strike

*PA2311002088 Paris AFP in Spanish 2046 GMT 21 Nov 88*

[Excerpt] Mexico City, 21 Nov (AFP)—The Mexican deputies who were on a hunger strike in the Chamber of Deputies have decided to end the strike after obtaining some of their demands, including the dismissal of the Tabasco State policemen who had attacked members of the Cardenist Front for National Reconstruction Party (PFCRN). This was announced by the PFCRN today.

After being on the hunger strike for 52 hours, the deputies were told that the Tabasco governor had agreed to the dismissal of the policemen and the state's deputy public security chief "who were responsible for the illegal arrest and torture of approximately 30 PFCRN members."

The incident occurred on 10 November, the day after the Tabasco gubernatorial election was won by the PRI. [passage omitted]

## Costa Rica

### Arias: Ortega 'Must Comply' With Esquipulas

*PA2211131588 Panama City ACAN in Spanish 2354 GMT 21 Nov 88*

[Excerpt] San Jose, 21 Nov (ACAN-EFE)—Costa Rican President Oscar Arias said today Nicaraguan President Daniel Ortega "must comply" with the Esquipulas II peace plan because he acquired that "commitment" when he signed the agreement. Arias noted that the Sandinist chief of state must understand that peace can be reached only through democratization.

He stated: "We are going to continue insisting that the Ortega government must comply" with the peace pact signed in Guatemala in August 1987. The president made this statement at a southern San Jose neighborhood where he was dedicating a housing program.

Arias, who is viewed as the architect of the Central American peace process initiated with the signing of Esquipulas II, recalled that Ortega committed himself to "democratizing his country" and noted: "He must honor his word." He added: "He is going to have me and all the Costa Rican people repeatedly insisting that democracy is the only way to secure a lasting peace."

Arias said: "We will not tire" of struggling for the consolidation of democracy in Central America, where our political system has been the "exception" and "dictatorships the rule." "We will not tire of struggling so that the Nicaraguan people, who have lived under the most shameful dictatorships of Central America for many years and who now have changed their path, may someday enjoy the democracy, liberty, and peace of which they have dreamed for years."

Observers have pointed out the unusually strong tone Arias has been using in recent days to refer to the Sandinist government prior to the meeting of Central American foreign ministers to be held 29-30 November to try to reactivate the peace process. Arias also is using this tone since Nicaragua rejected the possibility of withdrawing a suit it has filed against Honduras at the International Court of Justice. [passage omitted]

## El Salvador

### Acevedo Peralta on Foreign Ministers' Meeting

*PA2211235488 San Salvador Canal Seis Television 0200 GMT 22 Nov 88*

[Report by Sandra Idalia Reyes—passages within quotation marks recorded]

[Text] Foreign Minister Ricardo Acevedo Peralta said today that at the forthcoming Central American foreign ministers' meeting the Salvadoran Government will demand that the Nicaraguan Government halt the support it is providing to the FMLN. Acevedo Peralta, who will attend the 30 November meeting in Mexico City, said his main demand will be that the Sandinist government stop all assistance to the FMLN and comply with the Esquipulas II agreements.

"We have been very insistent with Nicaragua; we have asked them to respect the agreements and to comply with the commitment not to interfere in the domestic issues of El Salvador. We have asked them to stop their continual support of Salvadoran subversives, which is one of the points on which we will not yield."

The new date for a presidential summit to reactivate the deadlocked Esquipulas II agreement will depend on the Central American foreign ministers meeting.

"We will suggest to the presidents specific measures to promote democratization and the peace process in the region. We cannot continue with an unrealistic process of abstract declarations that only frustrate our peoples. We must carry out specific actions. For the first time since Esquipulas II was signed, the presidents will comply with Article 11 that says they must hold meetings and adopt the pertinent measures. We will use the meeting to ensure the presidents adopt the measures they deem necessary to promote the peace process."

The governments of the participating countries must try to comply with the commitments. For example, the Honduran and Salvadoran Governments have presented requests to the Sandinist government. Honduras has asked Nicaragua to withdraw its charge at the International Court of Justice at the Hague that Honduran territory is being used to harbor contras. If such requests are not met, it will be very difficult to hold a new presidential summit, as each party will try to make its own position prevail.

### Bishops To Examine Regional Peace Process

*PA2311010988 Panama City ACAN in Spanish 1820 GMT 22 Nov 88*

[Text] San Salvador, 22 Nov (ACAN-EFE)—Salvadoran prelate Gregorio Rosa Chavez said approximately 50 Central American bishops will begin a debate today on the region's problems and the role played by the Catholic Church in the regional peace process.

In San Salvador this morning, the Episcopal Secretariat of Central America and Panama (SEDAC), comprised of the region's Catholic bishops, began its conclave originally scheduled to coincide with the presidential summit.

The meeting is presided over by SEDAC's president, Salvadoran Archbishop Arturo Rivera y Damas; among the prelates in attendance are Cardinal Miguel Obando y Bravo (Nicaragua); Archbishops Prospero Penados del Barrio (Guatemala), Roman Arrieta (Costa Rica), and Marcos McGrath (Panama); and CELAM [Latin American Bishops Conference] President Archbishop Nicolas Lopez (Dominican Republic).

It was reported that Archbishop of Tegucigalpa Hector Enrique Santos will be unable to attend the meeting because of ill health.

The SEDAC meeting, which took place in a convent in the city of Santa Tecla, in the western outskirts of San Salvador, was opened today by Bishop Rivera y Damas.

SEDAC Secretary Gregorio Rosa Chavez gave assurances that the bishops would also discuss Central American electoral processes and would make recommendations on the issue.

The meeting of Central American bishops will end on 24 November with a mass at which the name of SEDAC's new president will be revealed and a work paper by the Central American bishops will be made public.

## Honduras

### FAO Official Kidnapped; Motive Unknown

*PA2311045188 Hamburg DPA in Spanish 0406 GMT 23 Nov 88*

[Text] Tegucigalpa, 22 November—Honduran Carlos Zelaya, deputy director of the UN FAO office in Tegucigalpa, was kidnapped tonight in a Tegucigalpa shopping mall by two armed individuals who forced him out of his automobile.

Local radio stations reported the news and it was confirmed by his relatives and by workers of the Delikatessen shopping mall where Zelaya had just made some purchases.

The reasons for kidnapping the FAO official in Honduras are unknown, and his relatives said he had not received any threats.

The police are investigating and said the two heavily armed youths who kidnapped him forced him out of his vehicle and into theirs. They took the eastern exit out of the capital city.

So far, no group has claimed responsibility for the kidnapping.

### Government Reiterates Policy on Middle East

*PA2211222088 Tegucigalpa EL HERALDO in Spanish 22 Nov 88 p 5*

[Press Communique No 105-88 issued by the Foreign Affairs Ministry's Directorate of Information and Press in Tegucigalpa on 21 November]

[Text] In view of the various opinions expressed by Honduran citizens regarding the evolution of the Middle East conflict, the Foreign Affairs Ministry would like the nation and the world to know that:

1. Under the Honduran Constitution, the president is the only person empowered to manage international policy and foreign relations, which is exercised through the Foreign Affairs Ministry.

2. The Honduran Government has maintained and continues to maintain its firm support for a negotiated settlement of the Middle East conflict based on the observance of UN Security Council Resolution 242 and which takes into account the political, historical, religious, and security factors that characterize the conflict.

3. This settlement should be the result of negotiations to reach agreements that safeguard the rights of all parties involved, as Honduras has repeatedly stated at the United Nations.

4. As stated before, in matters of foreign policy only the president and the Foreign Affairs Ministry have the legal right to define and execute said policy. Tegucigalpa, 21 November 1988
Foreign Affairs Ministry Directorate of Information and Press

### Japanese Delegation Grants $50 Million Loan

*PA2311022888 Tegucigalpa LA TRIBUNA in Spanish 22 Nov 88 p 7*

[Text] The Honduran Government has secured a $50-million loan from a Japanese delegation that visited Tegucigalpa last week with World Bank officials.

The first $25 million of this loan, which was brokered through the World Bank, will be delivered to Honduras in January.

Also in January, the Honduran Government will receive the second $25-million disbursement of a World Bank loan approved in August.

Honduras received the first $25 million of this loan late in September, but the money had to be used to cancel overdue World Bank payments.

## Nicaragua

### Tinoco Comments on OAS Meeting, Summit

*PA2311025988 Managua Radio Sandino in Spanish 1200 GMT 22 Nov 88*

[Text] According to Nicaraguan Vice Foreign Minister Victor Hugo Tinoco, the three major aspects to emerge from the OAS meeting in San Salvador were the reelection of OAS Secretary General Joao Clemente Baena Soares, the approval of the Cartagena protocol, and the agreement by the five Central American foreign ministers to meet in Mexico on 30 November.

Tinoco regarded Baena Soares' reelection as positive because Baena Soares has played an important role in revitalizing and restoring the prestige the OAS had lost in recent years. Baena Soares' predecessors had become accomplices of the U.S. polices in Latin America, Tinoco stressed.

Referring to the Cartagena protocol, Tinoco said the document gives political strength to the OAS and, most of all, to its secretary general. Before, the secretary general only performed a basically administrative task, lacking political power. With the Cartagena protocol, the secretary general has a legal backing for the political activities Ambassador Baena Soares had been conducting.

Regarding the agreement reached by the Central American representatives to hold a foreign ministers' meeting, Tinoco said the summit will be held at the end of November in Mexico. It will be a way to gauge the Central American situation. The meeting will serve to discuss all the topics linked to the Central American peace process. Tinoco commented that a basic aspect of the meeting is the rising awareness that the OAS is a forum for inter-American dialogue between Latin America and the United States. The OAS was regarded as an instrument of the United States; now it has been revitalized, and there is the awareness that it is a forum for dialogue, he said.

Nicaragua is prepared to hold the presidential summit as soon as possible, Tinoco remarked. He added that Nicaragua has a broad stance on this matter. The vice foreign minister said some close allies of the United States have not taken a position on the summit. They are awaiting to see what policy the new U.S. Administration will take with regard to Central America.

Tinoco said one of the topics to be discussed during the foreign ministers' meeting on 30 November in Mexico will be the presidential summit. The Mexico meeting will serve to gauge the situation in the region. As for Nicaragua's suit against Honduras at The Hague, he said it is still in effect. However, if the reason for the suit ceases to exist, then the suit would not make sense and will be withdrawn, Tinoco noted.

### Ruiz Leads Government Delegation to Moscow

*PA2211160188 Managua Radio Sandino in Spanish 0300 GMT 22 Nov 88*

[Text] A Nicaraguan Government delegation left for Moscow today to participate in a meeting on cooperation. The Nicaraguan delegation is headed by Foreign Cooperation Minister Henry Ruiz.

[Panama City ACAN in Spanish at 0149 GMT on 22 November adds the following: "The Nicaraguan delegation will participate in a meeting of the Nicaraguan-Soviet mixed commission, which will be held 23-25 November.

"The Sandinist mission will try to obtain additional aid for the victims of Hurricane Joan, which recently hit Nicaragua."

The report goes on to say that "the Nicaraguan and Soviet officials will discuss the terms of a triannual cooperation agreement. According to that agreement, the Soviet Union will provide oil, machinery, equipment, and technical assistance to Nicaragua."]

### Government Raises Price of Passports, Visas

*PA2211224188 Panama City ACAN in Spanish 0050 GMT 22 Nov 88*

[Text] Managua, 21 Nov (ACAN-EFE)—Beginning today, Nicaraguans who wish to obtain a passport to leave the country must pay $90, slightly more than three times the monthly minimum wage.

The Managua government announced today the increased price of $90 for a passport and the new price of $163 for 3-month multiple visas.

With the new taxes, the price of a Nicaraguan passport has increased from 20,000 cordobas ($36.36) to 50,000 ($90 at the official exchange rate) and a visa or exit permit from 2,000 cordobas ($3.64) to 20,000 ($36.36).

With the new "Law on Migration and Alien Status Taxes," the price of 3-month multiple visas has increased from 9,000 cordobas ($16.36) to 90,000 ($163.64) and 6-month multiple visas from 18,000 cordobas ($32.72) to 180,000 ($327.57).

Also, the cost of passport renewals has increased from 3,000 cordobas ($5.45) to 10,000 ($18.18).

Diplomats and government officials leaving the country on official travel are exempt from these taxes.

In Nicaragua, there are three different exchange rates: the official one at 550 cordobas per dollar; the official parallel market at 2,100 cordobas, and the "black market" at 3,000.

According to the opposition newspaper LA PRENSA, the cost of migration services "has skyrocketed."

The newspaper noted it is becoming increasingly difficult for Nicaraguans, who are burdened by the economic crisis, to leave the country in search of new horizons.

In the past few years, more than 8,000 professionals have abandoned Nicaragua in search of better opportunities abroad. They have mainly joined the hundreds of workers who have left for the United States.

### New Devaluation of Cordoba on Parallel Market

*PA2211235188 Panama City ACAN in Spanish 2300 GMT 22 Nov 88*

[Excerpt] Managua, 22 Nov (ACAN-EFE)—Nicaraguan exchange market agents reported a new 18-percent devaluation of the cordoba today on the legal parallel market.

From today the dollar will be sold at 2,200 cordobas and bought at 2,310 cordobas.

On the official market, the exchange rate for the dollar is 550 cordobas, while on the "black market" the exchange rate is between 2,500 and 3,000 cordobas. [passage omitted]

### Finance Minister Comments on Draft 1989 Budget

*PA2211155788 Managua EL NUEVO DIARIO in Spanish 21 Nov 88 p 7*

[Text] The nation's 1989 general budget will continue to be tight in keeping with government policy that Finance Minister William Hupper described as "restrictive."

Hupper appeared before a parliamentarian commission analyzing a draft "budget law" presented by President Daniel Ortega.

Hupper clarified that "although in monetary terms it might seem as if institutions will be receiving more financial resources than in previous years, they will in fact, after measuring those resources in terms of their buying power, be receiving less than before."

Hupper described this as a "policy to curb public expenditures, reduce fiscal deficit, and help cut inflation in the Nicaraguan economy."

He reiterated there are yet no plans to merge [compactar] state sectors next year, "but the government seeks to bring inflation to a manageable level in keeping with the current status of the Nicaraguan economy."

Hupper pointed out: "Our economy, which is mainly affected by war, targets half of our national budget to finance defense; our economy faces foreign currency restrictions resulting in shortages of certain products, which in turn affect prices."

The budget law the National Assembly will approve will regulate the key aspects of the various phases of the Republic's general budget.

These phases are the formulation, approval, implementation, follow up, and control of the national budget. "It is a general law that will regulate each one of these phases," Minister Hupper added.

## Panama

### OAS Ambassador Boyd on Crisis, U.S. Sanctions

*PA1911010388 San Salvador Radio Cadena YSU in Spanish 1800 GMT 17 Nov 88*

[Interview with Ambassador to the OAS Aquilino Boyd by unidentified reporters in San Salvador; date not given—recorded]

[Text] [Reporter] [Question indistinct]

[Boyd] It was a mistake to publish this; this publication is unjustified. Prior to my departure from Panama, U.S. Consulate officials had notified me that my wife and I had been granted our visas.

[Reporter] Opposition groups have told media sources that the struggle is not against the Panamanian people but against Noriega. In that sense, how much support does General Noriega have inside Panama?

[Boyd] Gen Noriega has shown that he is a man of peace throughout the difficult time we are confronting, primarily caused by extremely harsh measures and sanctions imposed by the United States against Panama. Thank God, calm and tranquillity have prevailed in my country, and fortunately there have been no violent clashes.

[Reporter] The Panamanian crisis has already lasted 18 months since Arturo Delvalle was deposed [as heard]. Why do you think the United States continues to support the deposed president?

[Boyd] As I said in my response to the U.S. delegate, I believe Delvalle has become for them a hot potato that will be very difficult to pass on to the next President. I am confident that good sense will prevail and that U.S. representatives will soon tell Delvalle he definitely does not have any recognition or popular support at all.

[Reporter] Jorge Ritter recently said the U.S. Government is opposed to a dialogue with the Panamanian Government. Why do you think the United States has assumed that position?

[Boyd] My impression from this OAS General Assembly is that there is hope lingering in the air, for all the delegations, that the United States will adopt a new foreign policy toward Latin America—a more realistic one—which will be more in agreement with our people's aspirations and needs.

[Reporter] How much has the U.S. boycott of Panama affected its economy?

[Boyd] I would say we have lost as much as $2 billion. However, it is difficult to know exactly how much the state has failed to collect from taxes, in addition to the huge losses faced by private enterprise, whose activities have dropped 50 percent.

### Discusses U.S. Relations

*PA2211000888 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Nov 88 pp 1, B-14*

[Statement by Aquilino Boyd, ambassador to the OAS, in response to remarks by U.S. OAS Ambassador Richard McCormack, at the OAS General Assembly in San Salvador, El Salvador; date not given]

[Text] Mr President:

I am forced to reply to the U.S. delegate who has commented on a vigorous speech delivered by Dr Jose Maria Cabrera Jovane, Panama's deputy foreign minister.

The distinguished U.S. delegate said the legality of the current Panamanian regime is doubtful because they, only they, continue to support former President Eric A. Delvalle, whom we describe as a displaced politician. In English I would say he is the "groundhog" of Panamanian politics, because after having disappeared from the national scene last winter, I believe he will not emerge from hiding until next winter.

However, what is serious is that Mr Delvalle continues to influence Panamanian politics in his capacity as the "sorcerer of Quarry Heights." He issues statements and conspires from his hiding place, which is provided by our canal partners, but has failed to receive any kind of response. His political party did not even garner 8 percent of the vote in the last election. I would submit that his party would not even receive 1 percent of the public's support...and this is because Mr Delvalle has assumed a position that is not in the national interest of Panama.

He could not prevent the National Assembly of Panama from trying and finding him guilty and removing him from power. He should have assumed a dignified stance and retired from public life. Instead, he associated himself with our canal partners in the belief that it was the way to promote a weak government in Panama that would follow the mandates of the Washington government.

Mr Delvalle has failed to achieve his objectives. I would submit that although it is true that he is "a thorn in the side" of the Panamanian Government, the current U.S. Administration has no right nor reason to pass this "hot potato" to new U.S. President Mr George Bush.

I must say that the U.S.-imposed economic sanctions are unjust, onerous, and very harsh for my people.

To give you an idea, official figures of the Republic's Comptroller General's Office show that during the 1st half of 1988, 200 million balboas were collected, in comparison to 530 million balboas during the same period last year. In the area of income tax collection alone, $104 million was collected during the 1st half of 1988, in comparison to $169 million in 1987.

In other words, 65 percent less. And what is the reason for this...? The blow inflicted by these sanctions has been so severe, so harsh, that the country's vital economic areas, namely commerce and services, have significantly declined.

The private sector controls 70 percent of all jobs in Panama. Unemployment has jumped to more than 10 percent, and it will take a long time and great effort to restore trust.

Sometimes, when the issue of human rights violations is discussed and the case of Panama comes up, one cannot but conclude that hunger, shortage of medicine, and lack of housing and money for public works is to a large extent the fault of those who have unjustifiably imposed on us economic sanctions that all of America has condemned as unjustified.

The United States has vital interests in Panama and all the honorable delegates represented in this organization are aware of that.

We must tell you that the canal has continued to operate efficiently. To a great extent, it is well defended because of the Defense Forces: the professionalism of General Noriega, its officers, noncommissioned officers, and troops.

I believe the election of Mr George Bush to the Presidency opens new opportunities for the normalization of relations between Panama and the United States. We are talking in these terms and tone now because the American people must know the details of a situation that is about to explode.

I believe that the new U.S. President, because I know him well, is a decent man with broad experience in inter-American affairs and who is aware of the problems and aspirations of the Panamanian people.

I believe, given that Bush is very familiar with private enterprise, he will be able to facilitate a quick recovery at an official level of the close ties that must exist between the United States and Panama, which should be based on respect and mutual understanding.

Thank you very much.

### Ritter: Government Invited Rights Commission

*PA1911042988 Panama City Televisora Nacional in Spanish 2300 GMT 18 Nov 88*

[Statement by Foreign Minister Jorge Eduardo Ritter; date and place not given—recorded]

[Text] It has been said that a number of Panamanian legislators and members of political groups attended the OAS assembly in San Salvador as observers. That is absolutely false. Only government delegations can participate in OAS assemblies. The OAS is not—as I said today at the Legislative Assembly—a forum for confrontations among political factions of a particular country.

I clarified something else at the Legislative Assembly, because when one lets certain situations continue without a timely clarification, those situations can appear as truthful.

Upon request of the president, I sent an invitation on 10 October to the Inter-American Human Rights Commission to visit Panama for the celebration of the 14th anniversary of the signing of the Human Rights Declaration on 10 December.

We are preparing the dates of the visit. Knowing the government had invited the commission, one opposition legislator said yesterday the visit of the Human Rights Commission is the result of his attendance at the OAS assembly. I read the letter of invitation I sent to the Inter-American Human Rights Commission at the Legislative Assembly in view of those statements. I said there had been no such pressure from the Panamanian opposition to get the Human Rights Commission to come to Panama. That commission is coming upon an invitation from the Panamanian Government. The commission accepted the invitation, and we are agreeing on the dates now.

It is sad to see how legislators distort reality—lie, as I said at the assembly—and deceive legislators and Panamanians in general.

### Ritter Speaks at FDP Officers Seminar

*PA2211220088 Panama City CRITICA in Spanish 22 Nov 88 p 2*

[Unattributed "special report" on a speech by Foreign Minister Jorge Eduardo Ritter to FDP junior officers at the Rio Hato Military Base on 21 November—quotation marks as published]

[Excerpts] Yesterday, in a speech delivered at a seminar for Panama Defense Forces [FDP] lieutenants, Panamanian Foreign Minister Jorge Eduardo Ritter said: "The admiration and respect the international community has for Panama are based on the strength with which our country has faced the most brutal aggression ever experienced by any country." Ritter added: "We know our struggle until the year 2000 is going to be difficult, but our goal of national liberation will remain unchanged."

Ritter said: "Each Panamanian has achieved something in our struggle for sovereignty. Torrijos' struggle was to obtain the signing of a treaty. Noriega's struggle is to see the treaty is abided by. Yours could be the hardest one, because it begins today and goes on until the year 2000.

Ritter added: "For 70 years, Panama looked only to the United States and was its unconditional ally in all international forums. Torrijos made Panama a member of the Nonaligned Movement of countries that do not want to be dominated by either superpower. For that reason, today we are seeking support from other regions in the world like Africa, Europe, and Asia. We want to be less dependent and to have a single territory and a single flag in Panama by the year 2000.

Ritter said the best proof that Panama is fighting for a fair cause is that the United States is the only country that, by refusing to recognize the Panamanian Government, is trying to harm and isolate us, something not permitted even under U.S. law.

Ritter concluded by saying: "We must realize that even if the unjust U.S. economic sanctions disappear, our recovery will take a long time. We know that new forms of aggression will appear, but we will continue to resist with the support of friendly countries until we recover our canal and our independence.

During his speech at the lieutenants seminar, former Foreign Minister Oyden Ortega fully explained the recent violations of the Torrijos-Carter treaties.

Ortega said Panamanians know very well that if we did not use our knowledge of politics, the United States would not abide by the treaties, so we must continue reporting treaty violations and the aggression at all international forums. Ortega concluded by saying: "The U.S. Government is well aware it needs a docile government in Panama to abide by the treaties. [as published] He added that our government and the FDP will maintain their firm position in this struggle and never give up, and that if the United States does not respect us, let it take the canal away. [passage omitted]

Manuel J. Arauz, a lieutenant colonel in the reserves better known as Fulo Arauz, who joined the FDP in 1956 and retired 26 years later, talked about his life and career in the FDP.

Fulo Arauz told the lieutenants vehemently that "they must not set a precedent by deposing an FDP commander in chief due to outside pressure, because in the future they themselves could be the object of the same action. Commanders and lieutenants are important ranks within the officer corps and they have a duty toward the FDP and their decisions must be respected. He added that lieutenants owe loyalty to their commander and the FDP. [passage omitted]

### FDP Officers Cited on Noriega, U.S. Policy

*PA2211022588 Panama City ACAN in Spanish 1513 GMT 20 Nov 88*

[Andreu Claret Serra dispatch]

[Text] Rio Hato (Panama), 20 Nov (ACAN-EFE)—General Manuel Antonio Noriega met this past weekend with almost half of the lieutenants in the Panama Defense Forces [FDP] at Rio Hato Air Base to examine Panama's future, especially regarding the country's relations with the United States.

The meeting took place during a seminar attended by over 100 young lieutenants. The seminar is scheduled to end on Wednesday, and according to Noriega collaborators, Noriega will close the seminar by making important statements about the country's future.

Officers at Rio Hato said that "the commander (Noriega) wanted to hear their views before making his statement" (on Panama's political problems and on the country's relations with the United States following George Bush's election as the next U.S. President). The officers emphasized "the seminar's great importance."

The event was organized by Major Luis Cordoba, who told ACAN-EFE that one of the seminar's purposes was to "strengthen the lieutenants' sense of unity and conduct in the face of the U.S. aggression." Cordoba is an important member of the Strategic Military Council, which is a key organization in the FDP.

Major Daniel Delgado, also present at Rio Hato, said that the young officers attending the seminar "are the leaders of the year 2000." Delgado was referring to the fact that they "will be in command by the end of 1999," a key date for Panama's future. On this date, according to the 1977 Torrijos-Carter treaties, the canal will revert to Panama, and the United States will have to dismantle its military bases.

ACAN-EFE had the chance to interview four of the lieutenants participating in the seminar. These lieutenants come from humble backgrounds and have studied in military academies in Peru, Venezuela, and other Latin American countries. They displayed a highly nationalistic political orientation during the interview, even though the majority said they had taken courses and spent time in the United States.

The lieutenants are convinced that the United States will not respect the canal treaties and that it intends to stay in Panama beyond the year 2000. They expressed their willingness to face what one of them, Air Force officer Jorge Vargas, described as "a war that is going to be long and hard."

Another young officer commented on a lecture given during the seminar by the civilian Nils Castro, saying "the war is beginning and will go on beyond the year 2000." Nils Castro is an important advocate of the Panamanian Government coalition's principal political entity, the Revolutionary Democratic Party.

The Rio Hato meeting took place only a few days after major changes were made in the Panamanian military leadership. According to most analysts, the personnel changes were designed to strengthen Noriega as head of the Army by promoting more nationalistic officers at the expense of older officers who are less belligerent toward the United States.

When asked about General Noriega—whom the officers repeatedly quoted throughout the interview—"Tigres" Batallion Artillery Lieutenant Clovis Sinisterra said that "he has been the object of attacks that have led to monolithic military support."

The lieutenants at Rio Hato, who will occupy key positions in the FDP in 10 years, seem convinced that Panama is facing "a prefabricated model of aggression" from the United States, which they described as "a low-intensity conflict."

"If we succeed, no Latin American country will let us down," one of the lieutenants said. He added that the Panamanian soldiers' "resistance" is being closely followed "with interest" by other Latin American military men.

When asked about the possibility of reopening U.S.-Panama negotiations as a result of George Bush's election, the lieutenants were much more skeptical than several high-ranking officials at Rio Hato, who view the new U.S. Administration with a certain degree of "optimism."

One of the lieutenants interviewed, infantryman Nino Vaprio, said that "because (the United States) is a great power, it will not change very much, as the two parties (Republicans and Democrats) share the same policy toward Panama."

Lieutenant Vaprio added that "if Bush follows Reagan's political line, we will maintain ours."

Throughout the interview, the lieutenants spoke of the FDP as an institution destined to play a prolonged role in Panama's political life "because the fatherland comes first," according to Lt Vargas. He made this statement in response to an opposition accusation that the regime is too "militaristic."

The lieutenants affirmed that Panama "has its institutions" and that "elections (scheduled for May 1989) will take place." Lt Vaprio said that achieving "a completely civilian government depends on the civilians," adding: "I give some of my friends some leeway if I see that they are self-assured."

Until 3 years ago, all Panamanian officers received their training in Latin American or U.S. military academies. Since the beginning of the conflict with the United States, however, the FDP has created its own officers' training school. The school's director, Major Francisco Porras, who was also at Rio Hato, told ACAN-EFE that the school aims to "train some 500 officers from now until the year 2000."

**Solis Palma on Ambassador to El Salvador**
*PA2211222688 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Nov 88 p 1*

[Report by Claudio Herrera Jimenez]

[Text] Manuel Solis Palma, minister in charge of the Presidency, denied yesterday that Salvadoran President Jose Napoleon Duarte's Christian Democratic administration had rejected the designation of retired Major Pacifico Saavedra as Panama's ambassador to that Central American country.

Solis Palma noted: "The ambassador has not been rejected; it is only that the Salvadoran Government has still not set a date for the presentation of his credentials."

Solis Palma added: "El Salvador has accepted him (Pacifico Saavedra) and, furthermore, it maintains diplomatic relations with our country. It is true, however, that El Salvador has taken longer than usual to set a date for our ambassador to present his credentials."

Solis Palma made these statements after the government's national consultation and advisory commission presented him with a document at the Atlapa Convention Center.

**U.S. Ambassador's 'Farewell Speech' on 14 Dec**
*PA2211181088 Panama City CRITICA in Spanish 22 Nov 88 p 5*

[From the unattributed "Scoops" column]

[Text] A piece of information for our readers: The infamous Arthur Davis is scheduled to talk to the American Chamber of Commerce at the Marriott Hotel on 14 December. A good source has leaked the information that this will be his farewell speech in Panama. Finally!

**Molirena Leader Discusses Election Conditions**
*PA1811144088 Panama City Circuito RPC Television in Spanish 2344 GMT 16 Nov 88*

[Report on interview with Guillermo Ford, member of the Nationalist Liberal Republican Movement's Executive Committee, by unidentified reporter—date and place not given; passages within quotation marks recorded]

[Text] Guillermo Ford, member of the Molirena [Nationalist Liberal Republican Movement] Executive Committee, has said that although the electoral process has begun, the opposition political parties cannot meet or express their viewpoints.

[Ford] "Both the Electoral Code and the Constitution grant political parties the right to organize themselves, to have freedom of movement, and to express their views. However, it is with much concern that we see the government is not allowing these kinds of activities, which are fundamental for political parties, particularly the opposition parties."

Regarding the opposition political parties' participation in the upcoming elections, Ford said:

[Ford] "Undoubtedly this is not just the big question, it is also the cause of much anxiety for Panamanians. We, the politicians who are responsible for leading the various parties, have agreed that the opposition will hold a meeting by the end of this month to do the following:

"First, to announce on behalf of all opposition political parties whether or not we will participate in the elections, once we make the final decision.

"Second, to show to the country the unity of the opposition parties.

"Third, should we decide to participate in the elections, to openly propose the mechanisms that will allow the opposition to face this great challenge.

"There is a commitment, however, that no opposition party will participate independently in the elections. All opposition parties will participate jointly."

[Reporter] "The opposition political parties have been saying that at this time there are no conditions for free, clean elections. What will be the future of the opposition political parties if conditions remain as they are and if there are no changes for the 1989 elections?

[Ford] "First, the opposition's responsibility is to push for changes that will provide the opposition with the minimum guarantees needed to hold clean elections. By the latter term, I mean that the results will be legitimate and recognized not only by the current government but also by all citizens.

"On the other hand, I strongly believe that once all opposition parties decide to participate in the elections, should that be the decision, I am in favor of facing the current system with all or with the few resources we have available. The important point is to give people the opportunity to express their wishes during the elections. We also want to show once and for all that we want changes to achieve democratization, to clean up the country, and to achieve complete and absolute freedom for our people."

[Reporter] "Do the opposition political parties actually have the means to achieve unity and nominate a single candidate?

[Ford] "I have no doubt at all. Moreover, I can assert that the opposition parties that do not support the nomination of a single candidate accepted by the Panamanian people would, in my opinion, be betraying the

homeland's highest interests. The opposition has to be united in the final campaign to achieve the changes people desperately have been searching for."

## CONATO States Position on Ending Crisis

*PA1811182188 Panama City Circuito RPC Television in Spanish 2300 GMT 16 Nov 88*

[Text] The National Council of Organized Workers, CONATO, today announced the agreements and projects adopted at the Sixth National Meeting of Union Leaders. The deadline CONATO had given for finding a solution to the national crisis expired yesterday. Here are those agreements:

1. a) Repudiate the repression of state security agencies against state union workers, because these actions violate human rights.

b) Repudiate the raids carried out at the homes of state union workers and their unions' offices. These raids violate ILO Agreements 87 and 98 signed by Panama.

c) Categorically reject, as a matter of principle, the dismissal of workers.

d) Demand from the national government the release of all arrested union members. In this regard, we have sent a note to the president of the Republic in which we demand the release of Fernando del Rio Gaona, Luis Hurtado, and Julio Corbalan, members of the Union of Workers of the Institute of Hydraulic Resources and Electrification, SITIRHE, who are currently under arrest without the guarantees to which they are entitled. This letter has been delivered to the presidency. We hope journalists will help us publish this letter as a way to apply pressure to obtain the release of our colleagues.

e) Demand from the government the immediate payment of salaries and vacation time to which the law entitles those workers who have participated in strikes called by state unions. We recall that other government associations have participated in strikes and labor movements for longer periods and still have had their salaries paid without delay.

f) Demand from the national government the immediate release of funds belonging to state unions, such as SITIRHE; otherwise, this establishes an ominous precedent for the entire Panamanian labor movement and violates union rights set forth in ILO Agreements 87 and 98.

2. Demand that the Panamanian Government and opposition groups sit down at the negotiating table together with the popular forces to seek once and for all a Panamanian solution to the country's current crisis and end the misery they have put the Panamanian people through. Otherwise, CONATO will present to the People's Unity Front an alternative, independent of the government and the opposition, to face the crisis and prevent the distraction from real national problems by a political campaign that offers no real options for the Panamanian people.

3. Demand a number of measures from the authorities and Board of Directors of the Social Security Fund, including:

a) Eliminating the problems faced by pensioners and retirees in receiving their paychecks.

b) Distributing enough medicine throughout the country and ensuring adequate supplies for Social Security beneficiaries.

c) Taking action against public and private institutions with overdue accounts with the Social Security Fund in order to improve the institution's liquidity.

d) Adopting recommendations evaluated and submitted by CONATO.

e) Covering the deficit in special retirements and complementary funds in accordance with Law 16 of 1975.

f) Discontinuing the practice of cutting off subsidies from workers who are on sick leave under the Social Security Fund as a result of industrial accidents or common illness.

4. Creating a commission to reorganize CONATO as soon as possible in order to face present and future challenges with a cohesive national labor movement.

5. Urging those labor groups and leaders who have promoted divisions within the labor movement to end that practice and resume the roles they should play as union leaders in conjunction with the labor organizations comprising CONATO.

## 'Private Enterprises' Resolution for Freedom

*PA1911035088 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Nov 88*

[Resolution issued by "top-level Central American private enterprise organizations" at the second annual meeting of the Federation of Private Enterprises of Central America and Panama; in Panama City on 18 November]

[Text] 1. Concerning political prisoners, especially businessmen who are in jail for political reasons: To request that the Panamanian Government guarantee them due process of law and other basic rights. They should be released if, following an impartial trial, their participation in criminal activities is not proved.

2. To request that the Panamanian Government return the buildings in which the offices of certain associations have been occupied by public forces, especially those of the Chamber of Commerce, Industries, and Agriculture, the Association of Panamanian Industrialists, and members of the National Council of Private Enterprise, which is a member of this federation. We also request that the universal principle of freedom of association be respected, which is guaranteed by the Panamanian Constitution.

3. To state once more that it is essential for the region to have a de jure state in which justice prevails, individual and collective freedoms are respected, and democracy is genuinely exercised so our peoples can work in peace and freedom.

We especially point out to the Panamanian Government that to overcome the Panamanian crisis, it is necessary to return to a representative democracy.

Signed in Panama City, 18 November 1988

## PLA Leader Discusses Elections, Current Regime

*PA1911044888 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Nov 88 pp A-1, C-10*

[Report by James Aparicio]

[Text] Arnulfo Escalona, president of the opposition Authentic Liberal Party (PLA), has stated that the opposition is not going to give away the 1989 presidential elections to the government's forces.

Escalona said: "We have understood that it is not just a question of casting votes but of making sure those votes are honestly scrutinized, counted, and recognized by the Electoral Tribunal."

The opposition leader indicated in statements made to this daily that "it is a fallacious lie" that the United States wishes to impose a model of democracy in Panama.

Escalona stressed: "We also do not expect anything from the gringos, nor are we beholden to any gringo, for them to give us or restore democracy in Panama."

Escalona pointed out that democracy "is not an ideology" but rather a form of government that does not belong to the state, and he made it clear that the opposition and the PLA cannot reach an understanding with the current government, because "they oppress the people."

He argued that the way out of the country's political crisis "could be through the electoral door," but he warned that the opposition and the government have different moral standards and "a different political view of events in the country."

He stressed that the opposition must remain politically united even though they have not yet decided whether or not to participate in the electoral contest in May 1989.

The PLA was recognized a month ago as a lawful political organization by the Electoral Tribunal after registering 36,674 supporters throughout the country, making it the foremost liberal force, even more than the Liberal Party, the Nationalist Liberal Republican Movement, and the Liberal Party faction led by Roderick Esquivel.

## Exiled Labor Leader Backs 'Nonpeaceful' Struggle

*PA2011142588 Madrid EFE in Spanish 2321 GMT 18 Nov 88*

[Text] Madrid, 18 Nov (EFE)—Panamanian labor leader Isaac Rodriguez said today in Madrid, where he has been in exile for political reasons, that "the strangulation of the political struggle in Panama leaves no alternative other than the nonpeaceful struggle." During a news conference, Rodriguez reported that Panama "is occupied by its own Army," and demanded the world's attention to the current "critical" situation.

"People are willing to struggle, but there are daily attempts to behead the existing organizations," maintained the secretary general of the Union of Workers of the Institute of Hydraulic Resources and Electrification.

After being charged by the Panama Defense Forces of plotting against state security, Rodriguez sought refuge at the Apostolic Nunciature in Panama, where he remained during the last half of September and throughout October.

Spain granted political asylum to the labor leader according to the law regulating the right of asylum and status as refugees approved by Spain on 26 March 1934.

Isaac Rodriguez pointed out that "Panama has to achieve a solution very soon, but with a Panamanian formula which cannot be the whimsical desire of any superpower that seeks to drain our people."

"We cannot permit false nationalism to become the safe-conduct for the merciless repression existing in Panama now," Rodriguez added.

Rodriguez, who arrived in Madrid on 3 November, reported "the forceful departure of over 50 leaders, most of them from various organizations in the country; the departure of over 10,000 Panamanians who have had to go abroad to seek better opportunities; and more than 40 political prisoners in the jails," in a country with a population of a little over 2 million inhabitants.

The country's occupation by its own Army is evidenced, according to the Panamanian labor leader, by "the militarization of enterprises; the closure of schools, businesses, and media; and the destruction of trade unions."

Rodriguez stated that the Noriega regime is well known for siding with international financial institutions "and with the mafia."

Isaac Rodriguez pointed out to the media the contradiction of an Army that a year ago was conducting military maneuvers with the United States and is now trying to show a nationalist image.

Rodriguez noted that the Panamanian people are the only ones directly affected by the U.S. economic blockade, with 60,000 new unemployed people who have joined the already existing 200,000 unemployed.

He also mentioned that the health sector is facing serious problems, and some hospitals lack medicine and the funds to buy surgical equipment.

Regarding Noriega, Rodriguez criticized his "false" nationalism. Moreover, he questioned whether a former CIA agent can be a patriot.

### PDC Congress Meets, Reelects Arias Calderon

*PA2111191788 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Nov 88 pp A-1, B-4*

[Text] The Ninth National Congress of Panama's Christian Democratic Party [PDC] has reelected Ricardo Arias Calderon as its president. Moreover, it reached the conclusion that the only way it can reach power and remove the current Panamanian authorities is through the unity of all the opposition parties, the National Civic Crusade [CCN], and other democratic organizations.

The PDC congress was held at the Lux Theater in Panama City. Luis Herrera Campins, former Venezuelan president and current secretary general of Christian Democracy International, attended the congress. Also in attendance was a dissident member of the Democratic Revolutionary Party (PRD)—a lawyer from Colon Province's upper coast who was government and justice minister, Presidency minister, and Supreme Court of Justice president [referring to Materno Vasquez]. In his speech he attacked his former allies.

Hugo Spadafora's widow, Ariane Spadafora, participated in the event when her brother-in-law Winston gave her the floor to address the audience.

Representatives from all the political parties that opposed the government in the last elections attended the PDC congress. The only person from the political parties supporting the government to be seen was Legislator Arturo Vallarino of the Labor Party.

Delegates from the Popular Action (PAPO), Authentic Panamenist Party, Nationalist Liberal Republican Movement, the CCN, and intellectuals such as Luis H. Moreno, Carlos Lopez Guevara, Alberto Vallarino, Otilia Arosemena de Tejeira, Alberto Boyd, and others participated in the event in one way or another. Jose Trinidad Castillo, from the city of Chitre, presided over the Ninth PDC Congress.

All the speakers—which included Carlos Ivan Zuniga, Arnulfo Escalona Rios, Juan Chevalier, Winston Spadafora, Venezuelan Luis Herrera Campins, Carlos Abadia, and Marcos Villami of Venezuela's Christian Democratic Youth—asked for unity among the opposition, using a harsh language against the current government.

Messages from Salvadoran President Jose Napoleon Duarte, Roberto Eisenmann, and other leading figures were read during the congress. Antigovernment slogans were chanted at the political rally held afterwards.

The general consensus of the rally involved the unity of the opposition to fight the government. The Christian Democrats felt that the decision on whether the party will form a coalition with other political parties to participate in the elections, participate with its own candidates, or simply abstain will have to be made in December at the latest.

The Ninth PDC National Congress also elected the party's president, vice presidents, national political committee, national executive committee, and the national discipline tribunal.

Ricardo Arias Calderon, reelected PDC president, criticized the military for their meddling in the government's affairs. However, he admitted he is willing to engage in talks with them if the situation so permits it.

### Columnist Views Possible Noriega Candidacy

*PA2211235688 Panama City CRITICA in Spanish 22 Nov 88 p 4*

["Political Arena" column by Baltazar Renan Aizpurua: "Noriega as a Candidate and a Few Questions for 'Toro'"]

[Text] If I were a gambler, I would bet my shirt that the Panamanian electorate will vote for "Tony" [Manuel Antonio] Noriega in the country's upcoming presidential elections. It is still undecided, however, if he, his comrades-in-arms, and his next of kin believe this is the best decision for him and for the country's future. Panamanians will vote for Noriega because he has firmly withstood all the attacks by the most reactionary persons ever to attain power in Washington. Also, because the Panamanian oligarchy has never been so determined to show how much they have sold out to the Yankees. What they have tried to do to "Tony" Noriega is morally equivalent to murder. That is because he is the Panama Defense Forces commander and is true to the military's oath of honor, which commits him to give his life to defend the nation's sovereignty. Fate would not have placed him in such a position if he were a regular citizen, as he wanted to be. However, he has a military, academic background and has always been honorable and honest in all the posts he has held on his own merits. Noriega would have no problems, would receive no insults, nor be the target of slander and false accusations (or well-founded accusations) if he were docile, accommodating, and kneeling when he received U.S. orders.

I do not agree with some so-called political experts who said before the U.S. elections, and keep saying it now, that the next Panamanian president should be elected based on the U.S. elections; that is, had Dukakis won, Panama should have a Greek president and in this way Panamanian-U.S. bilateral problems would be resolved

Greek to Greek. If Bush were the winner, then Panama had to elect a person having good relations with the Bush team, a person accepted by the Bush people, a friend of the Bush people.

Whenever I hear this type of argument I remember what General Torrijos used to say: "The United States has no friends, only interests."

In my opinion, General Manuel Antonio Noriega has to be the presidential candidate of all the patriotic forces of Panama, of the men and women who have rejected U.S. meddling in our domestic affairs, of those who do not want foreign troops stepping on our sacred national soil. His candidacy would have the trademark of national rebelliousness and would be based on the principles of the struggle that has been waged to secure honest and definite national independence.

No decision has been made yet. Politics is based on facts and the people have the right to know what politicians think about the Panamanian situation as a whole. For example, I would like to know how Dr Ernesto Perez Balladares [former Democratic Revolutionary Party secretary general] thinks we should handle our relations with the United States. I would like to ask him what he thinks about the economic aggression the Reagan administration has been waging against our country, and what Panama's attitude should be in the face of continuous U.S. violations of the Torrijos-Carter treaties. These are a few of the questions that men like "Toro" Perez Balladares must answer, and I publicly challenge him to do so.

One last question for "Toro": What do you think of the traitors who are in Washington kissing the asses of senators and other important officials of the empire?

## U.S. 'Aggression' Damages Health System

*PA1911032688 Panama City Televisora Nacional in Spanish 2300 GMT 18 Nov 88*

[Text] Panamanian Health Minister Francisco Sanchez Cardenas has told the National Information System that the U.S. aggression against Panama has inflicted direct losses on the Panamanian health system of approximately 120 million balboas. Just the refusal by the government of President Reagan to pay the corresponding taxes to the Panamanian Government has taken away over 200 million balboas from the Panamanian people.

Concerning the damage the U.S. aggression continues to inflict on the health system, Minister Sanchez said the deterioration of health levels is obvious.

Sanchez said that before the aggression, 20 percent of the Panamanian population was downtrodden [marginados] and another 20 percent was uncared for [postergados]; with the aggression it is estimated that both figures have increased to 30 percent.

## Legislator on U.S. Government Tax Retention

*PA2011152788 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Nov 88 p 12*

[Report by Camilo O. Baruco G.—quotation marks as published]

[Text] Honorable Legislator Luis Navas has asked for joint unified actions to halt the arbitrary, unjust, and inhumane measures taken by the U.S. Government. "I believe it is worth the experience, so we are warned of the struggle we all have to endure to ensure that the objective of the year 2000 is complied with," Colon Legislator Luis Navas told LA ESTRELLA DE PANAMA.

Navas believes the canal employees' problems are the result of history." There is a reality, and our presence in canal activities is the result of a historic struggle. We have struggled here against discrimination in salaries and appointments to key positions, and a historic struggle against colonialism will continue to be fought—which obviously has a price, H.L. Navas said.

The government, through the Finance and Treasury Ministry's Revenue Directorate, announced it was adopting a series of measures to secure tax payments from Panamanian employees working in Panama Canal areas and defense sites, payments illegally withheld for several months by the U.S. Government. Among the measures announced are the seizure and confiscation of these employees' personal property.

Honorable Legislator Navas believes the measure adopted by the Finance and Treasury Ministry can hardly be described as more than a way to exert pressure to make the U.S. Government fulfill its duty to pay taxes to the Panamanian Government. The measure takes into account that workers are not responsible for the U.S. Government's arbitrary retention of their taxes." Legislator Navas added that Panamanian canal employees must understand there is a foreign government withholding Panamanian Government revenues and that government is not fulfilling its duties with their state, government, and country."

Navas added: I reiterate what I told the Legislative Assembly Treaty Affairs Committee and the Planning and Economic Policy Committee. "I believe we must join efforts to win this struggle and stop the United States from continuing to violate the Torrijos-Carter treaties. The United States is now violating the treaty by arbitrarily withholding the money it deducts from the Panamanian employees' salaries. In the future, the United States will violate the treaties by preventing Panamanians from occupying key positions in the Panama Canal Commission [PCC] and by keeping the military bases in Panama."

Legislator Navas believes the tax payment problem is not only affecting PCC Panamanian employees; therefore, an overall measure must be taken. The tax problem

is affecting 2 million Panamanians, because the money "not entering the national treasury is needed to fulfill Panamanian people's health, housing, public, and employment needs."

Navas says that to fight this struggle for Panama, the overall measure must lead to a rapprochement among the Panamanian Government, the Panamanian representatives of the PCC, the Panamanian canal subadministrator, and the employees grouped in the various organizations."

Finally, Navas advises the Panamanian Government to report the latest treaty violation to the United Nations and other international organizations. I want the Panamanian Government to give adequate advise to the canal employees to present their demands and fight a proper legal battle."

### Finance Minister on 'Economic Destruction'

*PA2211033188 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Nov 88 pp A-1, C-4*

[Speech by Finance Minister Orville K. Goodin at the Finance Ministry in Panama City on the occasion of the 85th anniversary of the Finance Ministry; date not given]

[Excerpts] [Passage omitted] We are an important part of the Panamanian state, of the nation. I congratulate everyone for the work you have done, not only in the past but also during this year that has been such a difficult one, when the very existence of our beloved Panama is being threatened by the greatest power—or at least one of them—in the world.

The U.S. Government no longer keeps Panama in the world news. However, Elliott Abrams, assistant secretary of state for inter-American affairs, recently said that the fact that Panama is not in the headlines of newspapers, magazines, and other media does not imply that "we are not carrying out our policy of cutting Panama's jugular vein." [passage omitted]

The weapon being used against the state, against the country, is the same used against President Allende in Chile: economics. A high-level IMF official, who came to Panama to examine and evaluate the Panamanian economy, said he had never seen anything like this in any other country—the economic destruction of one country by another—except as the result of a war, an invasion. Such is the result of the psychological war. The domestic supporters, such as CONEP [National Council of Private Enterprise], repeat what their masters say, and they say our economic situation is the result of our actions, and that the gringos' actions are only a slight push, such as a slight cold in a patient with many broken bones. It is outrageous to say that, as if they were true Panamanians!

The result of this inhuman attack by the cowboy Reagan on our small but tough country has left the following toll, according to our own estimates and according to the statistics supplied independently by various organizations such as ECLA and the IMF: By the end of 1988, the Panamanian economy will have generated 80 centesimos for each balboa that was generated by the end of 1987, and, of course, there will be more Panamanians who will have to meet their needs with less revenues. They [the Americans] want to make us yield, some because of hunger, others because they will lose their "good life."

The chances of foreign financing are very slim, due to the pressure the colossus of the north is exerting on the international financing system; in other words, it runs the risk of being treated with the same medicine. [sentence as published]

Thus, the war is not a problem of democracy or the country's political system. It is a problem of whether future generations of Panamanians—our children—will have the right to say we are Panamanians, and if there is any meaning in being able to determine who are our friends and who are our enemies, as our leader General Torrijos said.

We have seen how government revenues have decreased by over 45 percent. You have seen the adjustments we have had to make in public expenditures: There is no paper, there are no supplies with which to work; we are not paying rent to anyone, we are not even paying our suppliers, because there just is not anything with which to pay.

What does the situation demand from us? One of two things: We either sell ourselves and become a sort of quote free and associated state unquote—that is, we surrender—or we resist. To resist implies we must all make our own adjustments. [passage omitted]

Today is a day for rejoicing, and this message does not seem to be one for rejoicing. However, as a member and fighter of this nation, I join this battle, and for me, this is a reason to rejoice.

Not one step backward!

### Minister Says Much of Economy 'Back to Normal'

*PA2211141088 Panama City Circuito RPC Television in Spanish 2300 GMT 21 Nov 88*

[Interview with Commerce and Industries Minister Mario Rognoni by unidentified reporter; date and place not given—recorded]

[Text] [Rognoni] I think that many sectors of the economy are back to normal. The one sector we are most interested in continues to be the construction sector. We hope the private sector, the banks, the builders, and the promoters will soon reach an agreement whereby the mortgage banks will recover and we can once again see this sector incorporated into normal development.

The business sectors and most other sectors are now working over 60-percent normal. The national industry perhaps continues to be affected and continues working at only 40-percent capacity. The construction sector, which involves nearly 22,000 workers, continues to be the anchor of the economic crisis.

[Reporter] We have heard much in recent days about the port center project. What are the possibilities the government will try to activate that or try to promote it so that it will begin as soon as possible?

[Rognoni] The national government is interested in proceeding with the port center project, which entails an initial investment of over 110 million balboas. The government is now preparing the documents so the interested international consortiums may participate and we can go ahead and see with whom we will start the various stages of the project.

[Reporter] The National Council of Private Enterprise recently presented a document referring to the economy. How does the commerce and industries minister feel about it?

[Rognoni] I think the CONEP document is softer than the original one presented several months ago. However, we are still bothered that it continues to be active in the political field and not in the economic field. I think the Panamanian entrepreneurs are anxious today to see measures that will activate the economy, measures that will allow the survival of the enterprises, measures that will give the people an answer and generate new sources of employment. For the entrepreneurs to discuss politics is to meddle in the business of the political parties, and I think we should have learned a lesson from the crisis: We must separate politics from the economy.

## Banking Commission Eases Savings Restrictions

*PA2311014488 Panama City Circuito RPC Television in Spanish 2315 GMT 22 Nov 88*

[Text] The Panamanian Banking Commission has authorized new withdrawal guidelines for savings accounts. Mario de Diego, president of the commission, provided more information:

[Begin recording] At the last meeting of the National Banking Commission, a new agreement was adopted establishing the restrictions for savings accounts as of 1 December 1988. This is in addition to what had been permitted up to now. Therefore, as of that date the sum available for withdrawal from savings accounts is increased from 5 to 10 percent monthly. The maximum monthly withdrawal from each account, which by order of the commission was 50 balboas, is increased to 100 balboas after 30 November. With this measure, the commission is doubling the amount currently available. I repeat, the guidelines formerly established will expire on 30 November 1988. As of 1 December the new authorization of 10 percent monthly with a maximum of 100 balboas will be in effect.

Furthermore, for the month of December exclusively, the authorization waives the 30-day advance notice called for in the current provisions. In other words, those who have not submitted a request 30 days in advance, as required by the provisions, can make such withdrawals in December without making the request in advance.

In cases where persons with savings have submitted a request 30 days in advance based on the existing provisions allowing 5 percent and a maximum of 50 balboas, for the month of December, under the new provisions, they will be entitled to withdraw 10 percent, up to a maximum of 100 balboas monthly. As of 1 January 1989, the 30-day advance request will again be required, in accordance with the existing provisions.

[Reporter] Up to 10 percent?

[De Diego] Yes, 10 percent up to a maximum of 100 balboas. In other words, it will be continued indefinitely or until the commission decides to take new measures with the purpose, I hope, of increasing the amount available. According to estimates made by the Banking Commission, it was estimated that, as a combined result of the new amounts made available plus the availability of the Christmas savings deposited in the banks, approximately 35 million balboas will be available during the month of December.

However, these withdrawal guidelines do not include the Banco Nacional or the Caja de Ahorros. These two banks have been [making use] of their reserves with the exact purpose of paying all the Christmas savings deposited this year. They will begin to pay them soon, on a date to be announced by them, as they have done every year.

We must stress an important aspect. The two state banks—both the Banco Nacional of Panama and the Caja de Ahorros—continue to be affected by actions taken by the U.S. Government against the Panamanian Government, specifically by the U.S. President's order against the Banco Nacional of Panama and the Caja de Ahorros. As a result, it is clear the two state banks are having difficulties gaining access to their resources and in conducting their banking operations normally and regularly. For this reason, the commission has decided that until they are in a position to do so, the new increase in the amounts that can be withdrawn will not apply to these two banks. [end recording]

## Comptroller General on Revenue Collection

*PA2311041988 Panama City Televisora Nacional in Spanish 2300 GMT 21 Nov 88*

[Statement by Comptroller General Francisco Rodriguez; date and place not given—recorded]

[Text] As we have already noted, we believe that by the end of the year our financial resources will have decreased by more than 60 percent from what had

originally been planned. This decrease will, of course, cause difficulties in meeting the public sector's obligations. It has forced us to take a strict stand and prepare a disimbursement priority program that includes payment of expenses required by the executive branch, the government, and the Panamanian economy. As I have already mentioned, priority is being given to personnel expenses and also to certain expenses related to health, education, and food supply. This is what we can comment on this subject. We feel the trend will continue until the end of the year.

**Civic Crusaders, Journalists Summoned**
*PA2211124588 Panama City MEDIODIA in Spanish 21 Nov 88 p 7*

[Text] Leaders of the opposition National Civilian Crusade have been summoned by the Eighth District Attorney of Panama for questioning on 22 November concerning accusations of plotting against the internal security of the state.

The leaders of the Civilian Crusade summoned for questioning are Roberto Aleman, Tomas Herrera, Rogelio Douglas, and Pierre Leignadier.

According to lawyer Rogelio Cruz, the purpose of the district attorney's investigation is to determine whether the leaders mentioned were responsible for having announcements calling for civil disobedience published in various media that are now closed.

Journalist Flor Qui ero, of the newspaper LA PRENSA, was summoned by First District Attorney Jose Ramiro Fonseca for questioning on 22 November.

During the past week, two other journalists from the closed media, Alfredo Jimenez and Migdalia Fuentes, were also questioned by the same official.

**Reporters Tour Jail, View Conditions**
*PA1911194588 Panama City Circuito RPC Television in Spanish 2300 GMT 18 Nov 88*

[Excerpts] Journalists and reporters from the various news media toured the Modelo Jail this morning to get an in-depth view of the situation experienced by the inmates. Major Jorge Correa, general director of the Modelo Jail, led the tour, and the journalists and reporters saw the difficult situation experienced by these men who are serving sentences for their crimes against society.

The building is being repaired; however, the number of inmates continues to grow.

[Begin recording] [Correa] The prisoners brought to the Modelo Jail are not specially selected. We have all types of inmates. We have men arrested for drug-related crimes and we have prisoners who are serving their first sentence.

[Reporter] How many people live in each cell?

[Correa] We should have 12 inmates in each cell. Because of a lack of space, there are up to 20 inmates in each cell.

[Reporter] How many inmates are currently serving sentences at the Modelo Jail? What kind of crimes have they committed?

[Correa] Theft is the most common crime. We have 215 inmates charged with drug-related crimes. We currently have 923 inmates.

[Reporter] Please repeat that number.

[Correa] We have 923 inmates.

[Reporter] How many prisoners can this jail hold?

[Correa] In 1924, this jail was built to hold 250 or 300 prisoners. No changes have been made to these facilities. [passage omitted]

[Reporter] Major Correa, we have toured the jail and have seen how the inmates live, but we have not seen the political prisoners charged with crimes against state security. What can you tell us about them?

[Correa] I told you earlier, perhaps you were not here, those so-called political prisoners—as you call them—are men who have carried out actions against state security. We cannot allow those men to mingle with Juana's or Pedro's son; we cannot allow them to mingle with the blacks and Indians. We must protect these people from the virus of treason—the virus spread by those bad Panamanians who have foreign interests, those who support the oligarchy and the U.S. Government and constantly plot against the Panamanian people.

[Reporter] Then where are they?

[Correa] They are here in another area. [passage omitted] [end recording]

**Hurricane Damage, Housing Needs Assessed**
*PA1811121988 Panama City MATUTINO in Spanish 17 Nov 88 p 2*

[Text] A Housing Ministry source has reported that the state needs approximately 2.3 million balboas to solve the housing problems caused by the passage of Hurricane Joan through Darien, Veraguas, and Chiriqui Provinces, where the natural phenomenon hit with greatest force.

The source said that the sum would be used to meet the need for housing relocation, repair, construction, improvement, and transfers in the affected areas.

Investigations carried out by Housing Ministry officials revealed that 753 housing units had been damaged in the affected areas, the source said.

The plan developed by the national government provides for the relocation of families whose houses were totally destroyed or flooded, as in the case of the 9 January neighborhood in San Miguelito District. Ten housing units have been prepared for that purpose.

In addition, entire families will be transferred to better areas, where secure housing can be built for them. This will be carried out in the community of Sona and in other places where cinder block and wooden houses are planned.

**National Union of Journalists Formed**
*PA2211213888 Panama City MATUTINO in Spanish 22 Nov 88 p 2*

[Summary] The National Union of Panamanian Journalists [Union Nacional de Periodistas de Panama], UNAPA, has been created in Aguadulce, Cocle Province. The country's five journalists' organizations joined the new union.

The UNAPA Board of Directors is composed of President Ramon Castellanos; Vice Presidents Luis Harris and Manuel Tejada; Secretary Prospero Vargas; Treasurer Luis U. de la Rosa; nonvoting members Raquel Delgado, Francisco Castanedas, and Fabian Cubillas; and Sergeant at Arms Tomas Alberto Cupas.

**New Paper Published in Bocas del Toro**
*PA2111143688 Panama City Domestic Service in Spanish 1200 GMT 21 Nov 88*

[Report by Alfonso Cruz]

[Text] A new monthly newspaper in Bocas del Toro Province has been published by Producciones Carey. This newspaper is not just another news medium. Quite the contrary—it promotes a new type of journalism: critical, serious, and honest. It is committed to our people in the fight for democracy, justice, and social progress. It follows the principles established by the father of Panamanian education, Octavio Mendez Pereira, who said modern journalism has the higher and more comprehensive mission of serving as a platform for information and disclosure; it is a teacher and a source of information, and is the most useful of all human activities.

We wish the organizers of the newspaper AVANCE the greatest success as they assume the tasks of reporting, educating, and organizing.

## Bolivia

### Minister Finds Paris Club Results Positive

*PY2311020888 La Paz La Red Panamericana in Spanish 0000 GMT 23 Nov 88*

[Text] According to Finance Minister Ramiro Cabezas, the results obtained at the Paris Club meeting are positive for Bolivia because Bolivia will have a 7-year grace period on payments of the bilateral debt.

Cabezas has said that Bolivia managed to negotiate $241 million of its bilateral debt, which relieves it from paying the principal and interests as provided by current commitments.

The finance minister added that the Bolivian delegation presented a concrete proposal regarding the current Bolivian crisis stemming from all its commitments.

He added that the delegation tried to find a solution to bilateral commitments. He said that although Bolivia has not achieved all the expected results, it has achieved encouraging results in all aspects.

Cabezas has reported that Argentina and Brazil were not able to attend the bilateral meeting, which prevented our country from reaching concrete agreements with these two countries. Bolivia has the largest percentage of its bilateral debt with these two countries. He added that although no specific date has yet been established, the Bolivian Government intends to hold a direct meeting with representatives of Brazil and Argentina.

These results will allow our country to use resources earmarked for the payment of the bilateral debt, Cabezas concluded.

## Brazil

### Sarney Postpones Official Visit to Peru

*PY2211141888 Lima Domestic Service in Spanish 0930 GMT 22 Nov 88*

[Text] Brazilian President Jose Sarney has suspended his trip to Peru, which was scheduled for 3 December. President Sarney was to have met his Peruvian counterpart, Alan Garcia, and dedicate a hydroelectric dam that the Brasilian company (Oderbrecht) has built in Arequipa Department.

### Government Denies Being Pressured on Falklands

*PY2211124188 Buenos Aires TELAM in Spanish 0414 GMT 22 Nov 88*

[Text] Brasilia, 21 Nov (TELAM-EFE)—Today Brazil denied that it had been pressured by the United Kingdom to vote against the UN resolution which urged the United Kingdom and Argentina to negotiate the dispute over the Malvinas Islands.

The Brazilian Foreign Ministry today denied press reports disseminated by the media in Brasilia.

On 18 November, Argentine Foreign Minister Caputo said in Buenos Aires that at least two Group of Eight Foreign Ministries had been pressured and been threatened with economic reprisals by the United Kingdom.

A Brazilian Foreign Ministry source recalled that Brazil and the other Group of Eight members, except for Panama, had been among those that supported the UN resolution. Last Thursday, 109 UN member countries supported a petition to conduct negotiations, 37 abstained, and 5—the United Kingdom, Belize, Oman, Sri Lanka, and the Gambia—voted against the petition.

### Foreign Trade Department Announces Oct Surplus

*PY2311013988 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 22 Nov 88*

[Summary] The CACEX [Foreign Trade Department] has announced that in October the country's balance of trade had a $1.6 billion surplus. The total surplus from January to October has reached $16 billion—$9 billion more than the trade surplus for the same period last year.

## Chile

### DINACOS Reports Pinochet's New Intendants

*PY2211174888 Santiago Domestic Service in Spanish 0930 GMT 18 Nov 88*

[Summary] According to DINACOS, President Augusto Pinochet has named the following intendants: Hernan Sudy Pinto to the 1st Region; Manuel Achondo Guzman to the 2d Region; Alberto Cooper Valencia to the 4th Region; Raul Celis Cornejo to the 5th Region; Pedro Enrique Aviles Jasse to the 6th Region; Manuel Gamboa Valenzuela to the 7th Region; Alberto Brautigan Echavarria to the 11th Region; and Mayor General Patricio Gualda Tiffaine to the 12th Region.

### Foreign Minister Discusses Country's Image

*PY2311013888 Santiago LA TERCERA DE LA HORA in Spanish 13 Nov 88 p 6*

[Interview with Foreign Minister Hernan Felipe Errazuriz by unidentified reporter: "Chile Has Never Participated in International Affairs to the Extent It Does Today"; date, place not given—first three paragraphs are introduction]

[Text] Yesterday Foreign Minister Hernan Felipe Errazuriz said that "Chile has never participated in international affairs to the extent" that it does today. Errazuriz added that he is not competing with opposition leader Ricardo Lagos to see who has more international contacts. He said Lagos is "campaigning" while he is not.

The foreign minister talked about foreign policy shortly before departing for El Salvador where he will attend the OAS General Assembly. After that he will fly to the United States to meet with U.S. Secretary of State George Shultz.

This is the first time the new foreign minister has talked at any length about Chilean objectives in the international arena.

[Reporter] Ricardo Lagos has said that you could not carry out a tour of Europe to meet with European presidents and ministers as he is doing.

[Errazuriz] It is obvious that I am not competing with Mr Lagos, first of all because he is campaigning and I am not. I am working on behalf of my country; I am defending the country's interest; and I am not asking for foreign intervention.

[Reporter] Foreign affairs observers have said that Chile can only develop a defensive foreign policy because its government is more concerned with present-day problems and, therefore, cannot develop any real foreign policy during this period.

[Errazuriz] Regarding Chilean isolation, which is the essence of Lagos' statements, I have always said that Chile has never participated in international affairs to the extent that it does today. Our diplomacy is pragmatic. Chilean participation in foreign affairs has grown and today we have more relations with many more countries than ever before. These relations include not only restricted academic or professional fields. Our relations are not designed to have people speaking in international forums, but to improve the standard of living of all Chileans. We are also working to see that our political process advances as smoothly as possible without foreign interference.

[Reporter] Is our foreign policy affected by the fact that the president does not travel abroad?

[Errazuriz] We Chileans are present throughout the world. We have a large number of embassies that are carrying out the government policies abroad. I only take charge when the situation requires special treatment.

[Reporter] You have said that Chile has relations with more countries than ever before, but government critics have observed that these relations are only formal because these countries side against Chile during votes in international organizations. What kind of pragmatism are you talking about?

[Errazuriz] The fact that we have 1 million Chileans working on products that are sold to foreign nations is the result of the pragmatism I am talking about. It is a reality. Regarding the international organizations, the last loan Chile received was granted after a unanimous vote of all the creditor countries. Therefore, your last assumption is also incorrect. The opposition talks about isolation but it is not doing anything to better relations with other countries. They have invited foreign nations to interfere in our internal affairs many times, and at other times they sought to isolate the government.

[Reporter] How do you see our future relations with the United States?

[Errazuriz] Right now there are many new elements to assess, such as the new government in the United States, a period of transition in Chile after the plebiscite, and a change of ambassadors. I think there is an interest in improving relations, but these things are not automatic; they take time. However, I am optimistic.

[Reporter] What is the government position regarding the Letelier trial? U.S. authorities have said they will continue the prosecution of the case.

[Errazuriz] We have always cooperated and we intend to continue cooperating in the investigations. I cannot add anything to that.

[Reporter] Can Chile contemplate an eventual opening toward the communist world considering the decreasing tension in the world today?

[Errazuriz] We have said we look forward to the restoration and strengthening of relations with any country that respects our legal system. We are studying different possibilities, but we do not have anything solid yet.

## Former Senator Montes Held Incommunicado

*PY2311024988 Santiago EL MERCURIO in Spanish 15 Nov 88 p C-2*

[By Gonzalo Cruzat Bizama]

[Excerpt] Valparaiso—Valparaiso Naval Prosecutor Corvette Captain Miguel Angel Munoz has ordered that former Communist Senator Jorge Montes be held incommunicado. He made this decision after questioning Montes for more than 3 hours yesterday afternoon, regarding case No 6920, related to the death of a security agent on 5 May 1988, in the Gomez Carreno sector in Vina del Mar.

Montes was arrested on Sunday, 13 November, at Commodore Arturo Merino Benitez Airport, before boarding a plane to Argentina.

The Naval prosecutor has reported his decision to lawyers Luis Bork and Fanor Castillo, of the Valparaiso Human Rights Commission, telling them that Montes is in good physical condition, referring to the concern existing over his state of health, because he has heart problems. According to the Human Rights Commission, Montes has suffered two heart attacks. [passage omitted]

## Colombia

### Defense Minister Escapes Dynamite Attack

*PA2311032088 Bogota Emisoras Caracol Network in Spanish 0247 GMT 23 Nov 88*

[Text] Defense Ministry spokesmen have announced that three bodyguards were killed and two wounded today in a dynamite attack against Colombian Defense Minister General Manuel Jaime Guerrero, who was unharmed.

Despite the impressive security operation implemented at the site of the attack, reporters were able to observe that the pickup truck used by the bodyguards was totally destroyed by a powerful explosion.

Although it was initially reported that a rocket had been used against the minister's entourage as he left his office and was heading home, it was later confirmed that the explosive device had been placed at the foot of a power pole and was detonated by remote control.

When the attack began, the other government vehicles sped away. Soon afterward, the minister, who has been in the post for only 13 days, returned to his office to take charge of the situation and inquire about the wounded bodyguards.

A huge security operation was implemented throughout the entire city to find the perpetrators who, according to anonymous telephone calls to the media, were members of the Ricardo Franco group, a dissident faction of the communist Revolutionary Armed Forces of Colombia.

A similar attack by the same organization was staged on 19 October against Guerrero's predecessor, General Rafael Samudio, with a bomb that exploded in the ministry parking lot, which destroyed several vehicles.

### Security Measures Implemented

*PA2311045688 Bogota Emisoras Caracol Network in Spanish 0355 GMT 23 Nov 88*

[Text] The police, Army, and security organizations' high commands are holding a security meeting at the Defense Ministry to coordinate the operations implemented immediately after the attack on Defense Minister General Manuel Jaime Guerrero Paz. The operations in question will continue until dawn.

A tour of areas near the site of the attack revealed the presence of military patrols, National Police units patrolling the streets, mobile checkpoints on various streets, vehicle searches, and the closure of the northern, eastern, and western exits of the capital to prevent the flight of suspects.

Meanwhile, the Defense Ministry has announced that it will issue an official communique pertaining to the attack on the defense minister early tomorrow morning. Communications Minister Pedro Martin Leyes; Justice Minister Guillermo Plazas Alcid; former Defense Ministers General Fernando Landazabal Reyes, Generals Hernando Diaz San Miguel and Gabriel Puyana, retired; Senate leaders Ancisar Lopez and Luis Guillermo Giraldo; political groups; and ranking government officials have all condemned this attack on Gen Guerrero, who miraculously escaped unharmed.

### Government Minister Assesses Tolima Peace Plan

*PA2211144788 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Nov 88*

[Report by Hernando Corral]

[Text] Colombian Government Minister Cesar Gaviria has commented on the peace plan signed by leaders of the Colombian traditional political parties of Tolima Department and various guerrilla groups.

The government neither supported nor condemned the peace dialogue initiated by Tolima Department political leaders. Liberal Senator Alberto Santofimio Botero, Conservative leader Maximiliano Neira, and Patriotic Union spokesmen agreed to seek ways to end violence in Tolima Department with M-19 and FARC leaders in that department.

Government Minister Cesar Gaviria said the government was not previously consulted about the dialogue but admitted the Tolima political leaders' peace initiative is a positive action:

[Begin Gaviria recording] It is an initiative promoted by well-known, prestigious politicians of Tolima Department. The initiative did not have our authorization or support. But we agree it could contribute to peace and the reconciliation process in Tolima, it can help solve problems of regional violence, and the initiative eventually could provide suggestions we would welcome. [end recording]

### Bomb Kills Police, Army Personnel in Arauca

*PA2211150288 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Nov 88*

[Report by Carlos Alberto Chica]

[Excerpts] Four Colombian policemen and one Army noncommissioned officer were killed today in an ambush by National Liberation Army [ELN] rebels near Tame, Arauca Intendance.

The bodies of the five people killed today in an ambush near Tame Airport, Arauca Intendance, were brought to Bogota. The body of a fifth [as heard] victim, Ricardo Diaz, was brought to Villa Vicencio and will be buried in San Carlos de Guaroa, his birthplace, tomorrow. The only survivor was taken to the Bogota police clinic. [passage omitted]

The official report points out that the policemen were killed by the explosion of dynamite that had been placed in the vehicle transporting them from downtown Tame to the local airport. Authorities presume the criminal attack was perpetrated by ELN rebels.

**Radio Patria Libre Protests Government 'Jamming'**
*PA2311002788 (Clandestine) Radio Patria Libre in Spanish to Colombia 0030 GMT 22 Nov 88*

[Text] We hereby report that the government is jamming this station's signal in certain parts of the country and that a military offensive has been unleashed against this radio station.

Colombian guerrillas are not trying to interfere with the media. Radio Patria Libre affirms that if the people want to listen to this radio station, the government must let them exercise their right to be freely informed.

We also demand that the government make it clear whether it is going to treat the media as military targets.

## Paraguay

**Acevedo Comments on OAS Meetings, Human Rights**
*PY2311012388 Asuncion ULTIMA HORA in Spanish 22 Nov 88 p 12*

[Text] Foreign Minister Rodney Elpidio Acevedo has told the media that "we held very cordial meetings with President Sarney, Foreign Minister Abreu Sodre and other Brazilian Foreign Ministry authorities with whom we discussed our relations with that country. With President Sarney we mainly discussed the ever-increasing possibility of continuing the constructions of the railway line that will give access to Paraguayan and Brazilian products to maritime ports."

The foreign minister visited Brasilia on his way to El Salvador where he participated in the OAS General Assembly. In referring to the meetings held in San Salvador, Minister Acevedo especially mentioned the one he held with U.S. Secretary of State George Shultz.

"I was able to brief him personally on the true situation in our country. It was the appropriate occasion for a thorough discussion of subjects of undoubtable interest to him. It is obvious that the United States wants to learn about the true situation in our country and we are working on this issue."

The minister also discussed the "forceful" rebuttal by the Paraguayan delegation to the OAS on the subject of human rights. He stated that the task that lies ahead to clear Paraguay's image in this field is difficult and long, that it will take time.

After briefing the president on his visit, the foreign minister said that "it is not good to compare with others, but our country is an example of respect for human rights. Here, each and every person may exercise his rights, rights that are safeguarded by the law."

## Peru

**Villanueva Discusses 'Severe' Economic Measures**
*PY2211191288 Lima Television Peruana in Spanish 1800 GMT 22 Nov 88*

[Text] The president of the Council of Ministers, Senator Armando Villanueva del Campo, today asked for the people's understanding when the new economic measures are released this evening.

[Begin recording] [Villanueva] As you all know the situation is difficult. We met with media sectors yesterday to inform them that we are going to discontinue the general sales tax and discuss other issues, including the issue of journalist safety. I would like the media to be aware that the measures we will implement are severe, some of them are going to affect us greatly....

[Reporter, inturrupting] ... another large package of measures?

[Villanueva, continues] ...but as the president has already announced, we are going to counteract these measures with higher salaries. We cannot avoid certain increases, but the government and the president have been very specific about this and in a matter of days he will compensate these increases with a sizeable salary increase to prevent a truly worrisome situation from arising.

[Reporter] What sort of measures will affect the people most?

[Villanueva] I do not want to overshadow the person who is going to address the nation this evening. You should not be in such a rush; it is just a matter of waiting for a few more minutes. [laughter]

[Reporter] Is this a small package, minister?

[Villanueva] I think they are necessary, indispensible measures. [end recording]

**Economy Minister Announces New Measures**
*PY2311044488 Lima Television Peruana in Spanish 0311 GMT 23 Nov 88*

[Address to the nation by Economy and Finance Minister Abel Salinas, from Lima on 22 November—live or recorded]

[Text] Countrymen: The duty and responsibility of those who govern is to tell the truth, even if it is disadvantageous to the person saying it. This is why in this speech

I will try to discuss a reality that should be well known. I hope that the sacrifices that will be made will guarantee the people the salary necessary to live.

Therefore, the minimum salary will increase 60 percent as of this month, from 15,000 intis to 24,000 intis. We know that we have been experiencing a crisis for a long time. We also know that we should come out of it by making a great effort.

This is not the time to try to find those responsible for the crisis by looking at the past. It is better to overcome our own mistakes. Four and a half million Peruvians voted for a democratic, popular, and revolutionary regime. For 2 years the government fulfilled its scheduled program, making Peru grow and increasing the standard of living of Peruvians, especially in the very poor sectors.

But these achievments also created contradictions that contributed to the current crisis. This crisis, it should be noted, is not any different from that of other countries.

It was under these circumstances that on 6 September, a few days after I accepted the job of minister of economy and finance, I took the responsibility of addressing all of you, announcing a package of measures that the government had decided to implement in an effort to reestablish order and stability in the national economy.

On that occasion we made the commitment to continue to guarantee the salary of the poorest sectors and to reach stable levels of production. I also asked for your help and understanding because the measures were harsh.

I am here today to report on the results of those measures and to announce new measures. I would like to confirm our main goal, which is to stop the inflationary recessive process and, if possible, to reactivate growth. In September it was necessary to adopt a single exchange rate both for exports and imports in order to eliminate the sources that create inflation, which economists call the foreign exchange rate gap.

Currently the Central Reserve Bank is not issuing any currency for that gap. Despite the austerity measures implemented and the measures to increase the fiscal revenues through the elimination of exemptions, greater retention of income tax, reduction of deadlines for payment of sale taxes, and other similar measures, the fiscal deficit has not been reduced. We are going to talk later about the fiscal deficit, its size and implications.

In order to support our exports, we established an overvalued exchange rate which, based on the judgement made at that time, was 250 intis per the dollar. With this exchange rate we hoped to leave it untouched until 1 December 1988. But as everyone admitted, the excess of expectations and the uncertainty of economic agents made inflation grow more than the expected levels, thus reducing the validity of the measures for that period.

As a result of high inflation, the salary increases implemented to maintain the purchasing power of the workers were insufficient.

We must recall that the previous economic measures were hailed by the country's economists as a positive step in the search for economic stability and order.

The implementation of the set of economic measures was also recognized by international economic authorities, with whom I talked in Berlin, as a very courageous effort, showing decisiveness and the sovereign will of Peruvians to find a solution to Peru's economic problems.

Only a serious, coherent, and continuous effort to carry on with the program will entice the financial organizations to support and cooperate with our efforts.

The government will send special missions to these organizations to strengthen these relations.

The consequences of the measures applied in September were analyzed by the government. We made a full appraisal of the situation and considered all the alternatives before we arrived at a conclusion and coordinated the measures that we must now apply.

We have assessed the influence of the exchange rate, the deficits, the subsidies, the revenues and expenditures of the public sector, and the other economic factors that fuel inflation and force the economy to deteriorate.

Right now the exchange rate of our hard currency is real, but the budget deficit caused by subsidies on staples and gasoline continues to fuel inflation.

Subsidies will grow to almost 200 billion intis in the next quarter. The total amount of currency currently in circulation is 270 billion intis. We can deduce that the government would need almost 75 percent of all the money in circulation to cover the deficit.

Despite the hard measures of September, serious economic problems remain and we have to face them. Some people think these corrections must be done all at once and that all prices should be brought to their real levels in a single stroke. The effects of this type of measure, however, would be too dramatic. We think, therefore, that we have to make the corrections gradually, even though the process is thereby going to be more difficult to accomplish.

The first thing we must do today is to maintain and increase our exports. Our exports bring needed hard currency into the country and generate jobs for hundreds of thousands of Peruvians. But to maintain our exports we have to pay more intis for them. We have been paying 250 intis for each dollar earned for our exports. This amount is too little to cover the cost.

We coordinated with the Central Bank to increase the price we pay for each dollar earned to 500 intis in the exchange rate. We think this measure will encourage exports. The increase in the price of the dollar will make our imports more expensive.

In September, for instance, medicine prices increased 400 to 500 percent because the price of the dollar for the import of drugs went from 33 intis to 250 intis. With the exchange rate and other measures, we have now established that we will try to prevent the medicine prices from increasing ever more.

Our first goal is to increase the price of the dollar to favor our exports and to commit ourselves to keep its value high.

The second objective is to prevent these economic measures from further affecting comsumption and wages, especially for the poor sectors.

The corrective measures taken in September were instrumental in reducing both the amount of foreign currency spent and imports, but they had a heavy impact on the income of most Peruvians. Now, without enforcing very traumatic measures, we can maintain and promote our exports and avoid a reduction in our purchasing power.

The government has ordered a 40-percent wage increase for all public employees. For private workers, this increase will be given as a bonus that will be deducted from the increases agreed upon in their next collective bargaining deals.

Furthermore, considering that we will have to increase the prices of gasoline and other fuels—which are heavily subsidized—the government has granted an additional bonus of 3,000 intis for transportation and related expenses.

The legal basic monthly salary, which until today was 15,000 intis, will now stand at 21,000 intis. The 3,000 intis transportation bonus will bring the total basic salary to 24,000 intis. Thus, there will be as 60-percent real increase in salaries.

Similarly, average workers who were earning 30,000 intis will now earn 45,000 intis monthly; that is, they will receive a 50-percent wage increase. This increase will help them cope with the price increases we must implement to reduce subsidies and, consequently, the fiscal deficit. These are serious economic problems the people must be aware of.

To subsidize an item means to sell it at a price below its production cost. For instance, we are now selling rice at one-third of its real price. A farmer receives 40 intis per kilogram of rice. The government takes the rice to a mill, peels it, packs it, and stores it for several months. Then, the government puts the rice in plastic bags and distributes it throughout the country. By then, the rice for which the farmer was paid 40 intis per kilogram already costs 180 intis per kilogram. Yet it is sold to the public at 60 intis per kilogram. Many may wonder why this is. First, because the government sought to increase rice consumption, this was a positive move. The error committed here was, however, to keep the price of rice heavily subsidized to the point that the consumer is still paying 60 intis per kilogram and the government is subidizing the difference: 120 intis. You can multiply 120 intis by the 670 million kilograms of rice our people eat and you will have an idea of what a heavily subsidized price is all about.

The same thing has occurred with the wheat we import to make bread and spaghetti. For each dollar used to import this wheat we paid 250 intis. Yet we are selling our bread and wheat as though we had paid only 66 intis per dollar. This means that for each dollar spent to import wheat, each consumer is paying 66 intis; the government, 184. You may multiply this by the millions of kilograms of bread and spaghetti we consume and you can see why our government is so heavily indebted. The same explanation applies to kerosene and gasoline.

Therefore, we must reduce subsidies and there are two ways of doing it: The first way is by eliminating subsidies all at once to establish realistic prices. Many people believe it is better to make a great single effort to do this because in this way there will be no more danger in the future; subsidies will have been reduced to zero.

These people may be right on paper. For your information, I would like to show you a price chart showing old and new prices. If not subsidized, rice should cost 316 intis per kilogram, but it will now be sold at 120 intis per kilogram. The government will be still subsidizing 126 intis [figure as heard] per kiligram.

The same thing happens with other basic products such as bread. Its price without a subsidy should be 13.50 intis, but its price as of today will be 10 intis. The price of milk without a subsidy should be 123 intis, but its price will be 40 intis, a subsidy of 83 intis. The price of poultry without a subsidy should be 945 intis, but its price will be 600 intis per kilogram, a subsidy of 345 intis. Cooking oil should sell for 534 intis, but it will go for 280 intis; the difference of 254 intis will be paid by the government.

Noodles shold cost 508 intis per kilogram, but will be sold at 341 intis. Evaporated milk, which will be sold for 250 intis, should cost 420 intis, a subsidy of 170 intis. It is our responsibililty to help people consume more. There are about 8 or 10 products that are subsidized, but the subsidy is so high that the state is greatly endebted and the Central Bank must issue a great deal of currency to keep the prices of those products low.

The state pays the subsidies; this is why the government does not have enough money to take care of health, education, public work, and investment programs. At first it was good to subsidize food products because

consumption increased. But when subsidies are too high, the economy begins to falter. This is the great problem. If we leave subsidies the way they are, or if we increase them, the economy will have greater problems next year.

We must reduce subsidies and, as I said, there are two ways to do that. The first way is to establish realistic prices in a single stroke. This means taking away subsidies in a single measure and selling products at their real prices, as I have demonstrated on the chart. According to the chart, rice would cost 316 intis, bread 13.50, milk 123, poultry 945, and so on.

As you can see, the idea of taking away subsidies in a single act is socially traumatic. This is a technical proposal but it cannot be done without causing great suffering. Therefore, it is necessary to look for another possibility by taking away subsidies and reducing public expenditures gradually.

We must make the decision to readjust prices gradually and also make corrections in salary levels. Through a harsh program the government proposes in the next 6 months to reduce subsidies by transferring a great part of them to salaries without hurting the poor sectors.

The staples we import, especially spaghetti and wheat flour, discourage the domestic production of these items. Peasants see that their incomes dwindle, and eat spaghetti instead of producing potatoes and other similar products for the rest of the population. It is then important to levy the price of these products in order to reduce their importation.

The third goal of the program is to increase interest rates to encourage savings and to be able to recover the value of our currency. At the present time, with inflation running over 1,000 percent and with banks paying savers an interest rate of 280 percent, no one saves. If banks decrease their liquidity it is because savers prefer to buy dollars at Ocono [hard currency trading district].

In this climate the so-called parallel banking system also grows. These are people who loan money at 600 or 700 percent, well above the official rate.

A sharp increase of the interest rates banks pay to savers does not mean added costs because companies are already paying higher prices for the money they borrow.

We have arranged with the Central Bank for banks to pay interest monthly. Naturally, we have to be careful that loans to the agricultural sector, especially those credits channeled to Andean products and sectors, continue receiving special treatment. The preferential treatment should also be extended to low-cost housing.

These measures will cause inflation to increase as a consequence of the increase in the price of the dollar and the increase in salaries, fuels and other factors. We expect that the exchange rate we established for exporters will remain stable. We will correct this exchange rate when necessary. We also expect inflation to drop because if the exchange rate stays relatively stable, and if the new interest rates help, we will be able to eliminate a larger portion of our subsidies. This is the purpose of the program that over a period of 6 months will seek to promote exports, protect the inti, protect consumption, and progressively reduce the deficit.

We are also proposing a group of tax measures to increase government revenues. We have submitted to the Congress a bill establishing the following: The tax debt will be adjusted every month as of 1 December by applying the variation of the consumer price index. This measure will prevent taxpayers from obtaining benefits by delaying the payment of their taxes to the detriment of the state.

Taxpayers who are behind will be allowed to pay what they owe in partial installments. The law will permit this arrangement up to 31 December. Other measures include: The rates of the special taxes on consumption will be rationalized and simplified. We have reduced them to only five rates. The same thing will be done with custom duties. At the present time there are some 500 different taxes and rates that vary from 0 to 16 percent. They will be unified. A single tax of 10 percent will be paid in all cases.

This is the first step toward simplifying our tariff structure. Gradually, we will continue to take further steps in this direction. The increase in public utility rates will enable the respective enterprises to improve their liquidity status. To ensure that these enterprises will comply with the austerity program outlined by the government, they will be required to transfer 10 percent of their additional income to the central government. A temporary 10-percent tax has also been established on the FOB [free on board] value of all export items, a percentage that will be gradually reduced.

Because interest rates charged since July 1985 have been lower than the inflation rate, some sectors should make a single payment equivalent to a percentage of the balance of their debt. Finally, we must strengthen tax administration and take specific measures to stop tax evasion. Among other methods, tax evasion is committed by not issuing sales receipts. Invoicing will be improved by establishing a method for closely monitoring the issuance of receipts.

If in 6 months we are able to take away subsidies by watching as much as possible the purchasing power of salaries, we may achive our goal. But to do that we must make a patriotic effort involving all Peruvians.

It will also be necessary to strengthen the program of social compensation in the public schools with the distribution of food to thousands of families. We must also

maintain our help to the food program in churches, mothers clubs, and other institutions. Thanks to these institutions, part of the crisis has been overcome, and we should be grateful to them.

We must also maintain the number of workers in the Support Program for Temporary Jobs, PAIT. There are now 130,00 workers in this program, but their number should be increased. However, this program cannot replace the permanent aid program to people affected by natural disasters.

Countrymen: let me tell you that nothing can replace faith, perseverance, work, and discipline. Strong people like ours have always been able to overcome difficulties to come out victorious. Let me recall a great Peruvian who said: United we can succeed, divided we are nothing. Thank you very much.

### Terrorists Attack Arequipa Towns, Lima

*PY2211201588 Lima Television Peruana in Spanish 1800 GMT 22 Nov 88*

[Text] This morning we received a report from Cotahuasi, capital of La Union Province, that yesterday at 2200 terrorists attacked Cotahuasi and Tomapampa.

The attacks involved about 100 people, most of them subversives who used women and children for their operation. The subversives destroyed public facilities such as the Bank of the Nation, the Agrarian Bank, the offices of the provincial council, and the local market in Cotahuasi, located about 250 km from Arequipa.

The subversives also destroyed and burned about 90 percent of the Cotahuasi regional development building. The report indicates that two civil guards were murdered and that three civilians, two of them children, were killed.

Pedro Yugar, president of the Arequipa Development Corporation, has coordinated actions with the prefect of Arequipa and the chief of the Third Police Region in this city in the face of this situation.

According to latest reports, a detachment has left for that region to find the subversives. Let me reiterate for our television audience that subversives conducted an attack in this department for 3 hours beginning at 2200 last night.

### Prefecture Building Hit

*PY2211124888 Lima Domestic Service in Spanish 1220 GMT 22 Nov 88*

[Excerpt] We are reporting from the Lima prefecture building, which was the target of a terrorist attack at 0635. The building was hit twice, presumably by mortar fire, from the flat roof of a house on Alfonso Ugarte Avenue. The attack shattered windows in the DIRCOTE [Antiterrorist Directorate] facilities on the third floor. [passage omitted]

### DIRCOTE Pursues Terrorists

*PY2211132788 Lima Domestic Service in Spanish 1250 GMT 22 Nov 88*

[Excerpt] [in progress]... terrorists this morning attacked the Lima prefecture building from a light blue Toyota pick-up truck parked at the corner of Espana Avenue and Alfonso Ugarte Avenue. The building was hit twice by mortar fire. One of the shells hit the DIRCOTE facilities, which are located on the third floor. The other shell hit the facade of the building. A DIRCOTE vehicle pursued the terrorists at 0700 as they escaped along Alfonso Urgarte Aenue and Plaza 2 de Mayo. The chase ended in a shoot-out, during which the windows of the DIRCOTE vehicle were shattered. [passage omitted]

### Army Forces Kill 10 Terrorists, Seize Weapons

*PY2211142388 Lima Domestic Service in Spanish 0930 GMT 22 Nov 88*

[Text] The Political-Military Command of the [word indistinct] subzone has issued a communique stating that 10 guerrillas have died in clashes with Army patrols in Huanta and Castrovirreyna Provinces.

The communique adds that the Army units seized weapons, ammunition, explosives, and subversive propaganda.

### Japan Donates 846 Million Yen for Agriculture

*PY2211142588 Lima Domestic Service in Spanish 0930 GMT 22 Nov 88*

[Text] The Agriculture Ministry has reported that Japan has donated 846 million yen to Peru for the construction of the Technical Center for Cultivation of Vegetables in the Fondo Donoso de Guaran.

The ministry added that the donation is part of Japan's nonreimbursable financial cooperation program.

The National Agricultural Research Institute will head the agricultural project that will be implemented on a 148-hectare plot.

## Uruguay

### Minister Denies Pressure Over Falklands

*PY2211165088 Buenos Aires DYN in Spanish 1500 GMT 22 Nov 88*

[Text] Montevideo, 22 Nov (AFP)—Uruguayan Foreign Minister Luis Barrios Tassano today denied that the Uruguayan Government has been pressured in seeking to influence its position of support for the Argentine Government in the controversy over the Malvinas Islands during the 43d United Nations meeting.

Barrios Tassano stressed that he was unaware of any pressure and ruled out the possibility that the recent remarks by Argentine Foreign Minister Dante Caputo may have referred to Uruguay.

Caputo, who is the president of the United Nations General Assembly, said in New York that two nations, one of them the country that is closest to us, were economically pressured to vote against Argentina at the United Nations meeting.

Senator Americo Ricaldoni, who is a member of the Senate Foreign Affairs Committee, has said that Uruguay maintains its policy of support for the Argentine claim for the archipelago over which Argentina and Great Britain fought a war in 1982.

**Government Announces Anti-Inflationary Measures**
*PY2211134088 Madrid EFE in Spanish 0846 GMT 22 Nov 88*

[Text] Montevideo, 22 Nov (EFE)—The Uruguayan Government has announced a series of measures that will be used to fight inflation. These measures include a reduction of the fiscal deficit to 3.3 percent of the GDP. There will also be a $50 million reduction in investment and administrative expenditure during 1989.

Economy Minister Ricardo Zerbino and Planning Director Ariel Davrieux reported during a news conference that in 1989 the central government will reduce its expenditure by 0.7 percent as related to the GDP.

Currently the deficit amounts to 3.8 percent of the GDP, in other words, 0.1 percent above the goal that was set by the government.

A reduction of 1,500 state employees also features in the readjustment policy that has been announced.

Uruguay has a heavy bureaucratic burden which, according to official information, occupies 22 percent of the active population.

State investment will remain stable after increasing from $77 million in 1985, when the democratic government assumed power, to $166 million in 1988.

Davrieux reported that the state expenditure for fuels will be reduced by between 10 and 15 percent, and that the expenditure of the foreign service, including official trips, will be reduced by 20 percent.

These measures are being implemented a few months after the government announced that it could not achieve its 1988 inflation goal, which estimated an increase in the cost of living of between 45 and 50 percent.

During October 1988 inflation in Uruguay amounted to 7.1 percent, thus reaching 59 percent during the first 10 months of the year and 68.4 percent during the past 12 months.

In 1987 inflation amounted to 57.29 percent and in 1986 it amounted to 70.65 percent.

This will be the 1st year that the government has not been able to reduce inflation since President Julio Maria Sanguinetti assumed power in 1985.

In 1985, the 1st year of democracy after 12 years of military tyranny, inflation amounted to 83.03 percent.

Minister Zerbino has stated that these restrictive measures will not cause an increase in unemployment, and that it has been estimated that there will be a 1-percent increase in employment during 1989.

It has been officially reported that unemployment stood at 9.6 percent during the past 3 months.

## Venezuela

**Central Bank on Loans, International Reserves**
*PA2211162288 Caracas EL UNIVERSAL in Spanish 22 Nov 88 P 2-2*

[Summary] Despite the slow growth of liquidity because of the drop in the international reserves, the commercial banks have maintained a reasonable level of credit activity. The most recent figures of the Central Bank of Venezuela indicate that commercial banks have granted 47.891 billion bolivars in loans during the 1st 10 months of 1988. In December 1987, the international reserves were $9.858 billion; in the 2d half of October 1988, they were $7.232 billion.

**National Guard Seizes Cocaine in Puerto Ordaz**
*PA2211160688 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 22 Nov 88*

[Summary] Members of the National Guard seized 153 packages of pure cocaine in eight suitcases in a Puerto Ordaz Hotel. They arrested Colombian Jimmy Gabriel Lopez. The 178 kg of cocaine had arrived in the country in several shipments from Cucuta, Colombia, and was going to be sent through a port in the Guayana region to Europe.

## Suriname

**Netherlands Delegation on Army's Role, Aid**
*PM1811145888 Rotterdam NRC HANDELSBLAD in Dutch 15 Nov 88 p 2*

[Unattributed dispatch: "Irritation in Suriname With Second Chamber Delegation"]

[Text] Paramaribo, 15 Nov—Surinamese National Assembly Deputy Chairman Otmar Rodgers was astounded at the statements made by the Netherlands parliamentarians on their return home. On Sunday [13 November] the delegation expressed its concern at the dominant role which the Army still plays in Surinamese society.

Rodgers appeared amazed that once back in the Netherlands the Second Chamber deputies said that they were shocked at the role of the Army because they gave no impression of this while in Suriname.

According to Rodgers it was agreed at the time the delegation arrived in Suriname that the Second Chamber deputies would not take home with them information which they would only make public in the Netherlands. Rodgers remarked that during the visit, detailed answers were given to questions asked about the Army. Of the delegation's finding that the development aid provided for in the development aid agreement between Suriname and the Netherlands cannot be restored in full as long as there is no peace settlement in the interior, Rodgers said: "It just cannot be right that because at present we do not have peace in two districts the entire population and the economy have to suffer and that economic strength and employment cannot be increased."

The National Assembly deputy chairman also pointed out that the delegation members made no mention of positive developments such as the assembly's raising the issue of the Pokigron murders, after which the Justice Ministry reopened the investigation, or that officers are now on trial in military courts for the execution of Wanabo, or that the military leadership has declared that justice and law must prevail. In the recent Panday hanging case the army let the investigation take place freely, "but people have no confidence in the browns [reference unknown] here," Rodgers said.

### Further Reportage

*PM1811144488 Rotterdam NRC HANDELSBLAD in Dutch 14 Nov 88 p 7*

[Unnamed "own correspondent" report: "Second Chamber Thinks Surinamese Army Role Still Too Great"]

[Text] Schiphol, 14 Nov—Development aid to Suriname can begin again only when greater clarity about the economic situation in the country has been reached. And there must also be more progress in the peace process.

The six Second Chamber deputies who yesterday returned from a 7-day visit to Suriname have noted some progress in the democratization process, but think the Army's role is still too great. The delegation indicated that the long-term development plan, which the Surinamese had promised to have ready by 1 October, is still not finished.

This plan was supposed to form the basis for selecting development projects when structural development aid begins May 1 next year. "Without that plan we lack part of the necessary information for discussions with Development Aid Minister Bukman," delegation member J. De Boer (Christian Democratic Appeal) said.

He denied that additional conditions have been attached to this aid, as Surinamese Foreign Minister Sedoc, among others, has alleged. In the 1975 cooperation agreement with Suriname (which came into force again last July after being suspended while Suriname had a military government) expressly states that development aid must benefit the whole population.

Second Chamber Deputy Pronk (Labor Party): "If a war is being fought in eastern Suriname, this condition clearly cannot be met. However, it seemed to us that the Surinamese Government is serious about holding negotiations for a peace settlement." According to Pronk, the talks which a group of Saramacca and Auka tribesmen recently held with the Paramaribo government are a very hopeful sign. So too is the fact that this group's contacts with the Army leadership ended "satisfactorily."

However, the Second Chamber deputies are critical of the dominant position which the Army still occupies in Surinamese society, although they are convinced that the government is doing its best to slowly reduce this role. F. Weisglas (People's Party for Freedom and Democracy) pointed "with sadness," as he put it, to the climate of anxiety and uncertainty which prevails among the population "because people feel that the Army is still very much present in the wings. Everyone looks over his shoulder for the shadow of Fort Zeelandia, whether he is right to do so or not."

D. Tommel (Democrats'66) described the poor material situation of the civilian police compared with that of the military police. Whereas the number of military police is being increased, the civilian police have no cars, no weapons, no uniforms, and hardly any shoes. When there are demonstrations, Tommel said, they have to call on the military police for assistance.

The delegation thinks the fact that the military police are still in control of Zanderij Airport is illustrative of their power. Despite pressure from the Netherlands Embassy in Paramaribo, for example, there has been absolutely no explanation of what happened to Surinamese citizen Panday, who was arrested on his return from the Netherlands and is alleged to have hanged himself in his cell.

### Recovery Plan Delay Noted

*PM2111094888 Rotterdam NRC HANDELSBLAD in Dutch 14 Nov 88 p 7*

[An Salomonson "News Analysis" article: "Few Signs of Recovery in Suriname"]

[Text] The Hague, 14 Nov—One of the disappointments for the Netherlands parliamentary delegation which visited Suriname last week was that the Surinamese Government has still not completed its long-term development plan. The delegation, led by Second Chamber Deputy J. De Boer (Christian Democratic Appeal), did not glean any hints about the main outlines of the plan at the National Planning Bureau in Paramaribo last week.

In the light of this it seems ridiculous to describe the parliamentary visit as a "resounding success," as De Boer did yesterday after arriving back in the Netherlands. The aim of the visit—to gather information about the situation on the spot—was by no means achieved.

The long-term development plan will serve as the point of departure for yearly plans allocating the Netherlands development aid worth 200 million guilder per year. This aid is scheduled to begin 1 May 1989—and this is why Surinamese Prime Minister Arron reached an agreement in July with Netherlands Development Aid Minister Bukman stating that the long-term development plan should be ready by 1 October this year. This was an attempt by the Netherlands to prevent what happened repeatedly in the years leading up to 1982—money was poured into projects that did not fit into an overall framework. At the time this led to misdirected investments, failed projects, and a great deal of criticism from the Netherlands Public Accounts Committee about the waste of money.

Because of this delay with the long-term development plan, the timetable has now become inflexible, for even if the plan appears soon, it must first be discussed by the Surinamese Government, then approved by the Council of State, and then debated by the National Assembly. Also, the Surinamese Council of State has yet to be set up. However, this body—and this is one of the few positive pieces of news—will probably include only one military representative (according to the constitution, the military—as well as other branches of society—has to be represented on the Council of State).

The delegation was clearly shocked by the economic decline in Suriname. Alongside the stagnating official economy there flourishes a "shadow economy" with a black market exchange rate for the Dutch guilder that is six times the legal rate. The stories of privileged treatment of government members, Army officers, and company officials are too convincing to be all consigned to the realm of fairy tale. There is cheating with export licenses and currency transactions. There is poverty for the lowest strata in society. Thanks to the food parcels from the Netherlands the people are able, partly at least, to keep their heads above water. Because of falling living standards their faith in newborn democracy is clearly crumbling.

There can be no doubt about the honest desire of the government and the maroons to reach a peace settlement. But, as Second Chamber Deputy Weisglas (People's Party for Freedom and Democracy) stressed, the Surinamese Army lacks the necessary enthusiasm. President Shankar has still not kept his promise, made at the end of June after talks with the Jungle Commando, to announce an official cease-fire. Army leader Bouterse has probably forbidden him to do so—a graphic illustration of the prevailing power structure. After all, the president is the commander in chief of the Armed forces and such a cease-fire is a political decision that can only be made by him.

In its May debate on the resumption of aid, the Second Chamber said explicitly that the peace process in eastern Suriname should be a political process that must not be destroyed by unilateral military actions. Peace is not a condition for the resumption of development aid, but serious efforts to promote this political process are. According to the development cooperation agreement, the aid must still benefit the whole population. On the question of how serious this peace process must be in order to justify the resumption of aid, Second Chamber Deputies De Boer and Aarts (both Christian Democratic Appeal) take a somewhat more moderate line than their fellow delegation members from the People's Party for Freedom and Democracy, the Labor Party, and Democrats'66. None of them wants to find himself in the situation that by the end of 1989 200 million guilders will have been pumped into Suriname without most of the country having seen a cent. Eastern Suriname is by no means a small area on the map; Brunswijk's territory begins not far inland from Zanderij Airport.

There are signs that democracy is winning through step by step and that the role of the military is being reduced, but the rate at which this is happening gives no cause for optimism. The government is giving assurances that it is preparing new legislation, but it is still asking for more time and more understanding. The DE WARE TIJD newspaper, without doubt the most courageous and most serious newspaper in Suriname, last week printed a "message to the Netherlands parliamentarians." In it the paper warned that democracy is not something that starts overnight, like turning on a light.

That is true. But, as Weisglas rightly remarked, it must not remain dark for too long. And, for example, when it comes to the arrest and the cause of death in a police cell of Panday, a Surinamer returning home from the Netherlands, a light will have to start shining soon.

### '35 Million Guilders of Aid Supplies' Ordered

*PM1811153888 Rotterdam NRC HANDELSBLAD in Dutch 15 Nov 88 p 2*

[Unnamed "own correspondent" report: "Suriname Orders 35 Million Guilders of Aid Supplies"]

[Text] The Hague, 15 Nov—In the last few days the Surinamese Government has sent a list totaling 35 million guilders to Netherlands Development Aid Minister Bukman via the Netherlands Embassy in Paramaribo. It has done so within the framework of the transitional aid package, through which the Netherlands aims to revive Suriname's stagnating industrial production.

According to an agreement between Minister Bukman and Surinamese Prime Minister Arron reached last July, in the current year Suriname will receive transitional aid worth 60 million guilders which have to be spent by the end of this year. The list, over which there was great disagreement in government circles in Paramaribo and which consequently arrived in The Hague months later than expected,

contains orders for spare parts and all sorts of other goods necessary for industrial production. Unlike earlier requests from the Surinamese Government, the list seems to contain very few food products. In accordance with the agreement, the goods will be purchased through the Netherlands Government Purchasing Board.

It is not known when Suriname will submit an order covering the remaining 25 million guilders. If this order has not been received in The Hague, approved, and acted on by the end of December, the 25 million guilders will return to the total sum for development aid allocated under the agreement. Suriname has an additional 40 million guilders of transitional aid at its disposal for the first 4 months of 1989, after which the ordinary structural project aid totaling 200 million guilders per year will resume 1 May.

**'Important Reshuffling' of Army Scheduled**
*FL2111185188 Paramaribo International Service in English 1730 GMT 21 Nov 88*

[Text] Shortly there will be an important reshuffles in the National Army. On January 1st of next year, the commanders, Lieuw Yen Tai and Ivan Graanoogst will exchange portfolios.

At the moment, Graanoogst is the chief of staff of the National Army while Lieuw Yen Tai is the commander of the military police.

Our newsroom has been informed, that besides these important reshuffles, others can also be expected.